

STATE OF SOUTH CAROLINA

South Carolina Electric & Gas Company
Annual Request for Revised Rates

236956
BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2012 - 186 - E

(Please type or print)

Submitted by: Matthew W. Gissendanner

SC Bar Number: 76027

Address: SCANA Corp.
220 Operation Way, MC-C222
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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☐ Other: _____

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input checked="" type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	



Matthew W. Gissendanner
Senior Counsel

matthew.gissendanner@scana.com

May 30, 2012

VIA HAND DELIVERY

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: South Carolina Electric & Gas Company
Annual Request for Revised Rates
Docket No. 2012-186-E

Dear Ms. Boyd:

South Carolina Electric & Gas Company ("SCE&G" or "Company"), pursuant to S.C. Code Ann. § 58-33-280 (Supp. 2011), is hereby filing with the Public Service Commission of South Carolina ("Commission") ten (10) copies of its Annual Request for Revised Rates. Section 58-33-280 authorizes SCE&G to file an Annual Request for Revised Rates subsequent to those approved in a base load review order no earlier than one year after the filing of a combined application in accordance with the Base Load Review Act, which SCE&G filed on May 30, 2008, in Docket No. 2008-196-E, and no more frequently than annually thereafter. SCE&G is also petitioning the Commission to enter a confidentiality order protecting certain commercially sensitive information from disclosure, as set forth below.

As part of its Annual Request for Revised Rates, SCE&G is filing as an exhibit, as required by § 58-33-280(B), a redacted and unredacted copy of its Quarterly Monitoring Report for the quarter ending March 31, 2012. Therefore, SCE&G is filing both a Public Version and a Confidential Version of its Annual Request for Revised Rates. In both versions, the Quarterly Monitoring Report is designated as Exhibit A.

The Confidential Version of the Annual Request for Revised Rates contains confidential information related to the pricing and pricing terms of the Engineering, Procurement and Construction Agreement ("EPC Contract") between SCE&G and a consortium consisting of Westinghouse Electric Company, LLC and Stone & Webster, Inc. (collectively, "Contractor"). The EPC Contract contains confidentiality provisions that require SCE&G to protect proprietary information that the Contractor believes to constitute trade secrets and to be commercially sensitive. The Contractor has requested that SCE&G maintain the confidentiality of certain information contained in the Quarterly Report—more specifically, certain portions of **Appendix 2 and Appendix 3** to the Quarterly Report. This confidential information has been redacted from the Public Version of those appendices.

In keeping with the Contractor's request and the terms of the EPC Contract, SCE&G respectfully requests that the Commission find that the Confidential Version of the Annual Request for Revised Rates contains protected information and issue a protective order barring the disclosure of the Confidential Version of Exhibit A of the Annual Request for Revised Rates under the Freedom of Information Act, S.C. Code Ann. §§ 30-4-10 *et seq.*, S.C. Code Ann. Regs. 103-804(S)(1), or any other provision of law, except in its public form. Pursuant to 26 S.C. Code Regs. 103-804(S)(2), the determination of whether a document may be exempt from disclosure is within the Commission's discretion. Such a ruling in this instance would be consistent with the Commission's prior rulings. *See, e.g.*, Docket Nos. 2008-196-E, 2009-211-E, 2009-293-E, 2010-157-E, and 2010-376-E (ruling the pricing and pricing terms of the EPC Contract to be confidential and issuing a protective order barring the disclosure of this information).

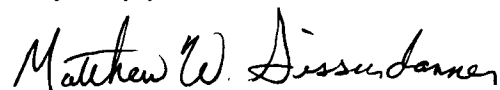
To this end, and in accordance with Commission Order No. 2005-226, dated May 6, 2005, in Docket No. 2005-83-A, the following are enclosed with this letter:

1. A true and correct copy of the Confidential Version of the Annual Request for Revised Rates in a sealed envelope marked "CONFIDENTIAL." Each confidential page of the Confidential Version of the Annual Request for Revised Rates is also marked "CONFIDENTIAL."
2. Ten copies of a redacted Public Version of the Annual Request for Revised Rates for filing and public disclosure.

SCE&G respectfully requests, in the event that anyone should seek disclosure of the unredacted Confidential Version of the above-referenced documents, that the Commission notify SCE&G of such request and provide it and the Contractor with an opportunity to obtain an order from this Commission or a court of competent jurisdiction protecting the Confidential Version of these documents from disclosure.

If you have any questions, please advise.

Very truly yours,



Matthew W. Gissendanner

MWG/mcs

cc: John W. Flitter
Shannon Bowyer Hudson, Esquire
Jeffrey M. Nelson, Esquire
(all via hand delivery with enclosures)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2012 - 186 - E



IN RE:

South Carolina Electric & Gas)
Company's Annual Request for Revised)
Rates)
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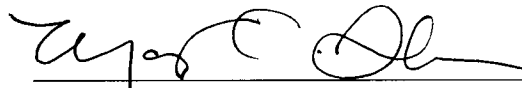
CERTIFICATE OF SERVICE

This is to certify that I have caused to be served this day one (1) copy of the Public Version of South Carolina Electric & Gas Company's **Annual Request for Revised Rates** via hand delivery to the persons named below at the addresses set forth:

John W. Flitter
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201

Jeffrey Nelson, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201

Shannon Bowyer Hudson, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201



Mary C. Salane

Cayce, South Carolina
This 30th day of May, 2012

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA
DOCKET NO. 2012-186-E

IN RE:

South Carolina Electric & Gas Company's)	ANNUAL REQUEST
Annual Request for Revised Rates.)	FOR REVISED RATES
_____)	

South Carolina Electric & Gas Company ("SCE&G" or "Company"), pursuant to S.C. Code Ann. § 58-33-280 (Supp. 2011), hereby submits its annual request for approval of revised rates.

In accordance with the terms of S.C. Code Ann. § 58-33-280, SCE&G may file with the Public Service Commission of South Carolina ("Commission") a request for approval of revised rates subsequent to those approved in a base load review order no earlier than one year after the filing of a combined application in accordance with the Base Load Review Act and no more frequently than annually thereafter.

The Combined Application in Docket No. 2008-196-E and the revised rates filings in Docket Nos. 2009-211-E, 2010-157-E, and 2011-207-E have been filed on or made effective as of May 30th of each of their respective years.

As previously indicated in each of those dockets, SCE&G intends to file requests for revised rates annually on or effective on May 30 of each year during construction of the V.C. Summer Nuclear Units 2 & 3.

In support of this request, SCE&G would respectfully show to the Commission:

1. SCE&G is a corporation duly organized and existing under the laws of the State of South Carolina, with its principal offices at 220 Operation Way, Cayce, South Carolina, 29033. The Company is engaged in, among other things, the business of generating, transmitting, delivering, and providing electricity to public and private energy users for compensation.

2. SCE&G owns and operates an integrated electric utility system that serves over 660,000 customers in 24 counties in central and southern South Carolina. SCE&G's service territory includes the metropolitan areas of Charleston, Columbia, Beaufort, and Aiken and many other smaller cities and towns, and rural areas in South Carolina.

3. Corporate legal counsel for SCE&G in this proceeding are as follows:

K. Chad Burgess, Esquire
Matthew W. Gissendanner, Esquire
South Carolina Electric & Gas Company
Mail Code C222
220 Operation Way
Cayce, South Carolina 29033
Telephone: (803) 217-8141
Facsimile: (803) 217-7810
E-Mail: chad.burgess@scana.com
E-Mail: matthew.gissendanner@scana.com

All pleadings, correspondence and communication relating to this request should be addressed to SCE&G's authorized representatives as stated above.

4. On May 30, 2008, SCE&G filed a Combined Application for a Certificate of Environmental Compatibility and Public Convenience and Necessity

and for a Base Load Review Order for the Construction and Operation of a Nuclear Facility in Jenkinsville, South Carolina (“Combined Application”) in Docket No. 2008-196-E. As part of the Combined Application, SCE&G requested initial revised rates reflecting the Company’s then current investment in V. C. Summer Nuclear Station Units 2 & 3 (“Units”). A hearing on the Combined Application was held before the Commission starting on December 1, 2008, and concluding on December 17, 2008.

5. On March 2, 2009, the Commission issued Order No. 2009-104(A) granting the relief requested in the Combined Application and approving, *inter alia*, initial revised rates as requested in the Combined Application, as amended during the pendency of the hearing on the Combined Application.

6. On July 20, 2009, SCE&G filed a request pursuant to S.C. Code Ann. § 58-33-270(E) to approve updated milestone and capital costs schedules for the construction of the Units. On January 21, 2010, the Commission issued Order No. 2010-12 approving SCE&G’s request and modifying the milestone and capital cost schedules initially approved in Order No. 2009-104(A).

7. On August 9, 2010, the South Carolina Supreme Court issued its decision in *South Carolina Energy Users Comm. v. South Carolina Pub. Serv. Comm’n*, 388 S.C. 486, 697 S.E.2d 587 (2010) (the “Opinion”) concerning the South Carolina Energy Users Committee’s appeal of Order No. 2009-104(A). In its Opinion, the Supreme Court ruled that contingency costs which had not been itemized or designated to specific cost categories were not permitted as a part of

approved capital cost schedules under the Base Load Review Act. The effect of this decision was to require the removal of \$438,291,000 in projected contingency costs from the capital cost schedules approved in Order No. 2009-104(A) and Order No. 2010-12.

8. On November 15, 2010, SCE&G, pursuant to S.C. Code Ann. § 58-33-270(E), filed with the Commission a petition seeking an order approving an updated capital cost schedule for the Units. On May 16, 2011, and consistent with the Opinion, the Commission issued Order No. 2011-345 approving SCE&G's request thereby updating the capital cost schedule initially approved in Order No. 2009-104(A) as modified by Order No. 2010-12.

9. In compliance with S.C. Code Ann. § 58-33-277(A) and Order No. 2009-104(A), SCE&G has filed with the South Carolina Office of Regulatory Staff ("ORS") and the Commission quarterly reports for each quarter since the effective date of Order No. 2009-104(A). On May 15, 2012, SCE&G filed its most recent quarterly report for the quarter ending March 31, 2012 (the "Quarterly Report"). The Quarterly Report provides information concerning the status of the Units and updates the capital cost and construction schedules for the Units as approved in Order No. 2011-345. A copy of the Quarterly Report is attached as **Exhibit A**.

10. On May 15, 2012, the Company filed a petition to update capital costs and construction schedules for the Units which the Commission will consider in Docket No. 2012-203-E. None of the additional costs submitted for approval by the Commission in Docket No. 2012-203-E are included in the capital costs proposed for

recovery here. All changes in cost schedules and construction schedules submitted for approval in the Docket 2012-203-E reflect reasonable and prudent changes to the costs and schedule for the project.

11. S.C. Code Ann. § 58-33-280(B) provides for the utility to recover through revised rates its weighted average cost of capital applied to all or part of the outstanding balance of construction work in progress calculated as of a date specified in a filing for revised rates.

12. As required by the Base Load Review Act, in calculating the proposed revised rates, SCE&G has utilized the factors, allocations, and rate designs approved in Order No. 2010-471 issued in Docket No. 2009-489-E.

13. As further required by the Base Load Review Act, the additional revenue to be collected through revised rates has been allocated among customer classes based on SCE&G's firm peak demand data from the prior year. For purposes of allocating the additional revenue requirement to be collected through revised rates in this filing, SCE&G has utilized data for the adjusted summer peak of 2011, as set forth in **Exhibit B**.

14. The revised rates as proposed herein will allow the Company to earn a return on equity of 11% on its investment in the Units as set forth in Commission Order No. 2009-104(A).

15. Pursuant to S.C. Code Ann. § 58-33-280(B), SCE&G has chosen June 30, 2012 as the date for calculating its outstanding balance of construction work in progress and weighted average cost of capital.

16. **Exhibit C** sets forth SCE&G's capital structure and weighted average cost of capital as of March 31, 2012, with adjustments projected through June 30, 2012.

17. **Exhibit D** sets forth the calculation of the incremental revenue requirement associated with the proposed revised rates. As set forth in **Exhibit D**, the Company's projected incremental construction work in progress through June 30, 2012 is \$474,923,000. This calculation reflects the deferral of \$52,000 which represents one-half (½) of the cost incurred by SCE&G related to the Change Order #11 Schedule Impact Study. This calculation also reflects the removal of \$19,524,000 which represents costs projected to be incurred by SCE&G through June 30, 2012, but that are pending before the Commission for approval in Docket No. 2012-203-E. The resulting increase in retail rates is approximately \$56,747,000.

18. To recover this revenue requirement, SCE&G is proposing revised rates resulting in the following increases: the Residential class will have an average increase in rates of 2.69%, the Small General Service class will have an average increase in rates of 2.55%, the Medium General Service class will have an average increase in rates of 2.46%, and the Large General Service class will have an average increase in rates of 2.28%. *See Exhibit E.*

19. As **Exhibit F** to this filing, SCE&G is providing updated retail electric tariff sheets setting forth the revised rates being proposed in this docket. Moreover, the proposed revised rates incorporate the upcoming expiration of the Rider Related

to Economic Impact Zone (EIZ) Tax Credits as previously approved in Docket No. 2009-489-E.

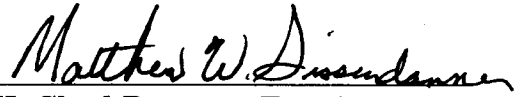
20. Consistent with prior Commission Orders, SCE&G has increased the Basic Facilities Charges for the Residential, Small General Service, Medium General Service, and Large General Service classes. *See* Commission Order Nos. 2009-104(A), 2009-696, 2010-625, and 2011-738. Demand charges have been adjusted as appropriate for all customer classes. SCE&G reserves the right to adjust all of these charges as appropriate in future rate proceedings.

21. As **Exhibit G** to this filing SCE&G is providing an updated forecast of future revenue requirements and rate increases that corresponds to the information provided on Exhibit M to the Combined Application in Docket No. 2008-196-E, as updated in Docket No. 2010-376-E.

WHEREFORE, South Carolina Electric & Gas Company respectfully requests that, upon completion of the audit and report by ORS as provided in S.C. Code Ann. § 58-33-280(D), the Commission issue an Order approving the proposed revised rates as set forth herein.

[SIGNATURE PAGE FOLLOWS]

Respectfully submitted,

A handwritten signature in black ink, reading "Matthew W. Gissendanner". The signature is written in a cursive style with a horizontal line underneath.

K. Chad Burgess, Esquire
Matthew W. Gissendanner, Esquire
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220 Operation Way
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Telephone: 803-217-8141
Facsimile: 803-217-7931
chad.burgess@scana.com
matthew.gissendanner@scana.com

Attorneys for South Carolina Electric
& Gas Company

May 30, 2012
Cayce, South Carolina

Index to Exhibits

- 1. Exhibit A:** Quarterly Report for the Quarter Ending March 31, 2012.
- 2. Exhibit B:** Peak Allocator.
- 3. Exhibit C:** Capital Structure.
- 4. Exhibit D:** Calculation of the Revenue Requirement.
- 5. Exhibit E:** Rate Increase by Class.
- 6. Exhibit F:** Tariff Sheets.
- 7. Exhibit G:** Update of Projected Rate Increases.

V. C. Summer Nuclear Station Units 2 & 3

**Quarterly Report to the South Carolina Office of Regulatory Staff
Submitted by South Carolina Electric & Gas Company
Pursuant to Public Service Commission Order No. 2009-104(A)**

Quarter Ending March 31, 2012

I. Introduction and Summary

A. Introduction

This quarterly report is submitted by South Carolina Electric & Gas Company (SCE&G or the Company) to the Public Service Commission of South Carolina (the Commission) and the South Carolina Office of Regulatory Staff (ORS). It is submitted in satisfaction of the requirements of S.C. Code Ann. § 58-33-277 (Supp. 2011) and the terms of Commission Order No. 2009-104(A). This report provides updated information concerning the status of the construction of V. C. Summer Nuclear Station (VCSN) Units 2 & 3 (the Units) and updates the capital cost and construction schedules for the Units. The Commission approved updated construction schedules for the Units in Order No. 2010-12. The Commission approved updated capital cost schedules for the Units in Order No. 2011-345 issued on May 16, 2011.

B. Structure of Report and Appendices

The current reporting period is the quarter ending March 31, 2012. The report is divided into the following sections:

- Section I: Introduction and Summary;
- Section II: Progress of Construction of the Units;
- Section III: Anticipated Construction Schedules;
- Section IV: Schedules of the Capital Costs Incurred Including Updates to the Information Required by S.C. Code Ann. § 58-33-270(B) (6) (the Inflation Indices);
- Section V: Updated Schedule of Anticipated Capital Costs; and
- Section VI: Conclusion.

Appendices 1, 2, and 4 to this report contain detailed financial, milestone and other information updating the schedules approved by the Commission in Order Nos. 2010-12 and 2011-345. For reference purposes, **Appendix 3** provides a copy of the approved capital cost schedule for the project in the form approved in Order No. 2011-345.

A confidential and a public version of this report and its attachments are being provided. All cost information presented reflects only SCE&G's share of the project's cost in 2007 dollars unless otherwise specified. Attached to the end of the report is a glossary of acronyms and defined terms used in it.

C. Construction Schedule and Milestones

As the report indicates, the Company has met all current construction milestones approved by the Commission in Order No. 2010-12, as adjusted pursuant to contingencies authorized in Order No. 2009-104(A). There are 146 separate milestones. Of these, 72 have been completed as of March 31, 2012. Comparing the scheduled milestone completion dates as of the date of this report to the milestone completion dates approved by the Commission in Order No. 2010-12, the completion dates of 66 milestones have changed. Of these, 21 have been accelerated and 45 have been delayed for between one and 15 months.

D. Construction Costs and Cost Forecasts

Spending through December 31, 2012 in current dollars is forecasted to be approximately \$292 million below the capital cost schedule approved in Order No. 2011-345. The present cash flow forecast indicates that the Company will be able to complete the Units for \$4.553 billion in 2007 dollars, which is \$283 million above the forecast approved in Order No. 2011-345. The current cost estimates include a) new forecasts of Owners Cost associated with construction oversight and operational readiness functions of the New Nuclear Deployment (NND) team, b) costs associated with the resolution of claims made by the contractors for the Units, Westinghouse Electric Company, LLC and the Shaw Group (WEC/Shaw), related to design changes and delays in the issuance of the Combined Operating Licenses (COLs) for the Units (WEC/Shaw Claims), c) new forecasts of Transmission cost, and d) change orders under the Engineering, Procurement and Construction Agreement (EPC Contract) related to cyber security, health insurance costs, and other matters. The specific items resulting in these increases are discussed in more detail in Section II.

Contemporaneously with the filing of this quarterly report, the Company is filing a petition with the Commission under the authority of S.C. Code Ann. § 58-33-270(E) (Update Filing) for review and approval of revised construction schedule and cash flow schedules for the project. This Update Filing is discussed in more detail in Section II.

In Order No. 2009-104(A), the Commission recognized that forecasts of Allowance for Funds Used During Construction (AFUDC) expense and escalation would vary over the course of the project and required those forecasts to be updated with each quarterly report. The current escalation indices were issued in January of 2012 for the period of July-December of 2011 and have been used in forecasting the construction costs for the project that are presented here. **Chart A** below compares the current capital cost forecast to the forecast presented in the last quarterly report.

Chart A: Reconciliation of Capital Cost (\$000)

<u>Forecast Item</u>	<u>Projected @ 3/31/12 (Five-Year Average Escalation Rates)</u>	<u>Projected @ 12/31/11 (Five-Year Average Escalation Rates)</u>	<u>Change</u>
Gross Construction	\$5,761,910	\$5,605,886	\$156,024
Less: AFUDC	\$237,926	\$212,314	\$25,612
Total Project Cash Flow	\$5,523,984	\$5,393,572	\$130,412
Less: Escalation	\$970,629	\$1,104,934	(\$134,305)
Capital Cost, 2007 Dollars	\$4,553,355	\$4,288,638	\$264,717

Chart B compares the current forecast of gross construction costs, including current escalation, to the forecast on which the Commission relied in adopting Order No. 2011-345. Chart B shows that the forecasted capital cost of the Units in 2007 dollars has increased by approximately \$283 million. This increase reflects the additions to the budget referenced in Section I. D above and is explained in more detail in Section II of this report. It is offset by the voluntary decision by the Company, communicated to the Commission by letter dated April 25, 2011, that it would not seek recovery for \$103,000 in Community Support/Outreach costs that WEC/Shaw had included in costs to be charged under the EPC Contract for the Units. Due to the changes in forecasted escalation, when netted against changes in AFUDC, see Section I. F, below, the cost of the plant in future dollars has decreased by approximately \$25 million since Order No. 2011-345 was issued.

Chart B: Reconciliation of Capital Cost (\$000)

<u>Forecast Item</u>	<u>Projected @ 3/31/12 (Five-Year Average Escalation Rates)</u>	<u>As Forecasted and Approved In Order 2011- 345</u>	<u>Change</u>
Gross Construction	\$5,761,910	\$5,786,943	(\$25,033)
Less: AFUDC	\$237,926	\$255,684	(\$17,758)
Total Project Cash Flow	\$5,523,984	\$5,531,259	(\$7,275)
Less: Escalation	\$970,629	\$1,260,855	(\$290,226)
Capital Cost, 2007 Dollars	\$4,553,355	\$4,270,404	\$282,951

E. Escalation Rates

As provided in Order No. 2009-104(A), the most current one year inflation indices are used to escalate costs occurring in the twelve-month period after the date of each quarterly report. The most current escalation indices are found in the Handy-Whitman January 2012 update which was issued in May 2012 and reports data for the period July-December of 2011. Those rates are reflected in this report. The approved capital cost targets have been adjusted to reflect the currently reported historical escalation rates. The forecasted costs provided here reflect the terms of the preliminary agreement related to the WEC/Shaw Claims which changes the index applicable to Firm with Indexed Adjustment cost categories going forward from a floating Handy Whitman adjustment to a fixed rate for the life of the project.

As shown on **Appendix 4**, utility construction cost escalation rates were at historically high levels during the period 2005-2008, and since then have dropped. Current escalation rates are shown on **Chart C**, below. When compared to the previous quarter, the current update shows a downward trend in rates.

Chart C: Handy-Whitman Escalation Rates

<u>Escalation Rate Comparison</u>		
	Q4-2011	Q1-2012
<u>HW All Steam Index:</u>		
One-Year Rate	4.75%	4.51%
Five-Year Average	4.75%	3.91%
Ten-Year Average	4.75%	4.71%
<u>HW All Steam/Nuclear Index:</u>		
One-Year Rate	4.76%	4.52%
Five-Year Average	4.76%	3.87%
Ten-Year Average	4.76%	4.72%
<u>HW All Transmission Plant Index:</u>		
One-Year Rate	4.84%	2.48%
Five-Year Average	4.36%	3.00%
Ten-Year Average	4.81%	4.55%

F. AFUDC

The AFUDC for the project is currently projected to be approximately \$17.8 million lower than the forecast on which Order No. 2011-345 was based. Consistent with Order No. 2009-104(A), SCE&G computes AFUDC based on the Federal Energy Regulatory Commission (FERC) approved methodology as applied to the balance of Construction Work in Progress (CWIP) that is outstanding between rate adjustments. SCE&G's projected AFUDC rate is currently 5.28% versus a rate of 5.87% that applied when Order No. 2011-345 was issued.

G. Compliance with the Commission Approved Cumulative Project Cash Flow Target

The current approved Cumulative Project Cash Flow target for the project was adopted by the Commission in Order No. 2011-345. In Order No. 2009-104(A), the Commission provided that the applicable Cumulative Project Cash Flow target would be adjusted with each quarterly report to reflect updated escalation data.

Appendix 2 provides the approved Cumulative Project Cash Flow target updated for current escalation data. The cash flow targets up until December, 2011, have been updated to reflect actual escalation rates. The cash flow targets for the first quarter of 2012 and beyond have been updated based on the most recently available inflation indices, which for purposes of this report, are the indices provided in May of 2012 that report data through December 31, 2011. When actual indices for the period January 1, 2012, to June 30, 2012, become available, the cash flow data for the first and second quarters of 2012 will be revised to reflect the actual escalation rates.

Appendix 2 compares the approved Cumulative Project Cash Flow target to the current cumulative cash flow schedules for the project, which include actual costs where available and SCE&G's working forecasts of annual cash flows for future years. In addition, the project cash flow targets presented on **Appendix 2** for 2011 and 2012 have been adjusted to reflect timing differences between the billing methodology under the EPC Contract and the calculation of the escalated cash flow targets under Order No. 2009-104(A). Under the EPC Contract, for periods where actual escalation rates are not available, WEC/Shaw bills SCE&G based on a rolling 2-year average of the applicable Handy-Whitman rate and provides adjustments to reflect the actual rate when it is known. An adjustment has been made to **Appendix 2** target calculations to offset the timing differences that arise as a result of WEC/Shaw's approach to estimated billings and credits. This adjustment applies to those EPC contract cost categories that are subject to indexed escalation.

II. Progress of Construction of the Units

On March 30, 2012, the Nuclear Regulatory Commission (NRC) issued the COLs for the Units. This represents the successful completion of a major milestone in the construction project. The United States Army Corps of Engineers (USACOE) issued the 404 Wetlands permit for the project on the same day.

Immediately following receipt of the COLs, SCE&G issued several Limited Notices to Proceed to WEC/Shaw which allowed the initial placing of nuclear safety-related concrete for Unit 2 to begin during the week of April 2, 2012. On April 19, 2012, SCE&G issued a Full Notice to Proceed to WEC/Shaw, which represents another major milestone for the project and allows all remaining safety-related work to commence. Mobilization is underway for Cooling Tower 2B construction work that was delayed pending issuance of the 404 Wetlands permit.

On March 29, 2012, a preliminary agreement was signed by Senior Management of SCE&G and WEC/Shaw resolving the WEC/Shaw Claims, which included claims for additional charges associated with the delayed issuance of the COLs, the Shield Building design changes, the structural modules design changes, and the lower than anticipated

rock elevations encountered in certain areas where the Unit 2 Nuclear Island (NI) will be constructed. In the preliminary agreement, the Parties have agreed to the costs adjustments that will be made to the EPC Contract to resolve the WEC/Shaw Claims and other terms of their settlement. The parties have agreed to negotiate in good faith toward the execution of a final agreement based on the terms of the preliminary agreement. The preliminary agreement also reflects the intention of the parties that the Substantial Completion Dates of the Units will be revised to March 15, 2017 and May 15, 2018, respectively.

On May 15, 2012, contemporaneously with the filing of this quarterly report, SCE&G made an Update Filing with the Commission under the authority of S.C. Code Ann. § 58-33-270(E). The Update Filing will provide the Commission with the opportunity to review and approve revised project construction and cash flow schedules which reflect a) the March 30, 2012 issuance date for the COLs, b) the revised Substantial Completion Dates for the Units of March 15, 2017 and May 15, 2018, c) the negotiated settlement of the WEC/Shaw Claims totaling \$137.5 million, d) revised Owners Costs forecasts totaling \$131.6 million, e) revised Transmission cost forecasts totaling \$7.9 million, and f) change orders to the EPC Contract related to cyber security, health insurance costs and other matters totaling \$5.9 million. All of these items are discussed in additional detail in Section II. The total amount of additional costs that are reflected in this filing is approximately \$283 million.

Prior to the May 15, 2012 Update Filing, SCE&G withdrew an earlier update filing made on February 29, 2012. That earlier filing predated the issuance of the COLs and the preliminary agreement with WEC/Shaw concerning the WEC/Shaw Claims.

Under S.C. Code Ann. § 58-33-270(E), the Update Filing is to be approved unless the updates are shown to be the result of imprudence by the utility. By statute, the Commission is required to issue an order approving or denying the petition by November 16, 2012.

Fabrication of equipment off-site continues to proceed well or has shown improvement and is on a schedule that supports the on-site construction schedule, with the exception of sub-modules from the Shaw Modular Solutions (SMS) facility. Accordingly, SMS remains a significant area for focus to the project. This work has been delayed due to module redesign, production issues, and Quality Assurance and Quality Control (QA/QC) issues. SMS is in the process of resolving these issues. SCE&G continues to monitor this area carefully and considers it to be a focus area for the project.

The project maintains a safety record that is unprecedented for a heavy construction site of its size. Since construction began over three years ago, the project has accumulated over 5 million safe-work hours, with a small number of recordable injuries and only three lost time incidents. The most recent lost time incident occurred in

April of 2012, thereby stopping the project's current streak for consecutive safe-work hours.

At present all milestone completion dates are within approved schedule contingencies.

A more detailed presentation of the status of the project is addressed in Section II.A-Section II.G below.

A. Licensing and Permitting

1. COLs

On March 30, 2012, the NRC issued a COL to SCE&G for each AP1000 unit, which is V.C. Summer Units 2 and 3. Issuance of the COLs provided SCE&G with the authority required under the statutes administered by the NRC to construct and operate the Units and allowed nuclear safety-related construction work to begin. As a result of the issuance of the COLs, SCE&G is now the holder of an active nuclear construction and operating license for each unit and SCE&G's construction and operating activities are subject to an elevated level of oversight and accountability by the NRC.

2. NRC Inspections

a) Completed Inspections

During the week of March 19, 2012, the NRC conducted an information gathering trip for the management of an Inspections, Tests, Analyses, and Acceptance Criteria (ITAAC) inspection which is planned for May 14 – 18, 2012.

During the week of April 2, 2012, the NRC conducted a containment vessel welding inspection. This inspection examined the techniques, materials, and testing methods used to assemble the containment vessel. The NRC inspection team completed the inspection with no findings.

The NRC also maintains on-site inspectors that perform inspection duties that are summarized in quarterly inspection reports.

b) Upcoming Inspections

During the week of May 14, 2012, the NRC will be conducting inspections to review four areas: (1) the reporting of parts and material defects; (2) management of ITAACs, (3) quality assurance, and (4) nuclear island civil work.

On May 22, 2012, the NRC Chairman, Gregory B. Jaczko, is scheduled to visit the site.

On May 24, 2012, the NRC will conduct a public meeting/open house regarding Virgil C. Summer Nuclear Station Unit 1 annual assessment and NRC construction oversight of Units 2 and 3 COLs.

NRC inspections related to implementation of the site quality assurance program and corrective action program are planned to be conducted later this year. Additional NRC inspections are expected to be conducted during the remainder of the year.

3. NRC Response to the Japanese Earthquake and Tsunami of March 2011

On March 30, 2012, the NRC issued to SCE&G COLs for Units 2 & 3 that contained a license condition to address the beyond-design-basis event mitigation recommendation provided by the Near Term Task Force (NTTF). This condition must be fulfilled by SCE&G prior to fuel load and operation of the new plants. This condition also required SCE&G to provide written confirmation to the NRC within 20 days from the date of the license acknowledging its acceptance of those requirements associated with it. SCE&G has informed the NRC that it accepts the condition placed upon the COLs.

The NRC also issued a concurrent order with the COLs that addresses spent fuel pool monitoring instrumentation (Order EA-12-063). This order places the same requirements on SCE&G for spent fuel pool monitoring instrumentation as those issued to other licensees on March 12, 2012. It also required SCE&G to respond to the NRC within 20 days with a confirmatory letter accepting the requirements of the order. SCE&G has informed the NRC that it accepts the condition placed upon the COLs.

In addition, the NRC issued a Request for Information (RFI) on April 13, 2012, to SCE&G requiring a descriptive plan indicating how Units 2 & 3 will supply power to communications systems required by the site emergency plan and information about staffing levels necessary to execute that plan during an

emergency event involving multiple units. This RFI also required a 30-day written acknowledgement to the NRC accepting the requirements of the RFI or indicating inability to comply. SCE&G has informed the NRC that it will comply with the timelines for supplying the requested information.

SCE&G is actively engaged in efforts to address the NTTF recommendations as detailed in its associated COL license condition, NRC Order EA-12-063, and the RFI issued in April. In addition, SCE&G is involved in a collaborative endeavor by the nuclear industry to develop and implement site-specific, diverse and flexible mitigation strategies that strive to reduce the risks associated with beyond-design-basis conditions. This approach, which is being led by the Nuclear Energy Institute (NEI), is referred to within the industry as "FLEX". SCE&G is coordinating its efforts related to FLEX through industry groups to maximize its response effectiveness while minimizing costs.

4. Major Construction Permits

a) 404 Wetlands Permit

The USACOE issued the 404 Wetlands Permit for the project on March 30, 2012. This has allowed WEC/Shaw to begin work on Cooling Tower 2B and for work to begin on other water supply and discharge structures.

b) Other Permits

In early February 2012, SCE&G submitted to the South Carolina Department of Health and Environmental Control (SCDHEC) an updated National Pollutant Discharge Elimination System (NPDES) permit application. The updated permit application addressed questions raised by SCDHEC concerning temperature and chemical mixing under 7Q10 water flow conditions in the Broad River. Approval of this updated application will allow SCE&G to discharge blowdown water from the Units into the Parr Reservoir and to begin construction on the Raw Water System (RWS) intake structure, the Wastewater System (WWS) and other appurtenances associated with the water and wastewater systems. The draft permit was placed on public notice on March 30, 2012 by SCDHEC, allowing a 30-day period for comments that ended on April 30, 2012. The Environmental Protection Agency (EPA) has requested until June 11, 2012 to review the application.

No other major permits are outstanding. Other construction-related permits are anticipated to be obtained in the ordinary course of administering the project.

5. Base Load Review Act (BLRA) Regulatory Proceedings

On May 15, 2012, contemporaneously with the filing of this quarterly report, SCE&G made an Update Filing with the Commission under the authority of S.C. Code Ann. § 58-33-270(E). The Update Filing will provide the Commission with the opportunity to review and approve revised project construction and cash flow schedules reflecting current substantial completion dates for the Units, the resolution of the WEC/Shaw Claims (all as set forth in the preliminary agreement with WEC/Shaw) totaling \$137.5 million, revised Owners costs totaling \$131.6 million, revised Transmission costs totaling \$7.9 million, and other change orders associated with cyber security, health care costs and other matters totaling \$5.9 million. The total amount of additional costs that are reflected in this Update Filing is approximately \$283 million.

Prior to the May 15, 2012 Update Filing, SCE&G withdrew an earlier update filing made on February 29, 2012. That earlier filing predated the issuance of the COLs and the preliminary agreement resolving the WEC/Shaw Claims. The adjustments that were included in the initial update filing have been revised in the new Update Filing.

Under S.C. Code Ann. § 58-33-270(E), the Update Filing is to be approved unless the schedule and cost updates are shown to be the result of imprudence by the utility. By statute, the Commission is required to issue an order approving or denying the petition by November 16, 2012.

6. Utility Facility Siting and Environmental Protection Act Proceedings

As previously reported, in early January 2012 the Commission issued Order No. 2011-978 that granted SCE&G a certificate of environmental compatibility and public convenience and necessity for construction of three transmission lines associated with the Units. These transmission lines are necessary to route power to the grid, and to ensure system reliability while Unit 3 lines are constructed. The three lines are the VCS1 – Killian Line (Killian Line), the VCS2 – Lake Murray Line No. 2 (Lake Murray No. 2 Line), and that segment of the VCS2 – St. George No. 1 Line that runs between the plant site and the Lake Murray 230/115 kV substation (St. George Segment). No party has appealed this order.

B. Engineering

1. Engineering Completion Status

The V.C. Summer Units 2 & 3 Total Plant Design Completion Status is as follows:

- a) Site specific design – 85.3% complete.¹
- b) Standard Plant Issued for Construction (IFC) Drawings – 40.7% complete.

2. Site Specific Design Activities

Site specific design work is ongoing in support of site specific systems, to include the Circulating Water System, Yard Fire System, Potable Water System, RWS, Sanitary Drain System, Offsite Water System (OWS) and WWS.

Environmental testing to support OWS design efforts has revealed out-of-specification levels of disinfectant byproducts that were determined to be caused by the presence of bromides in the Broad River. The project is evaluating changes to the water treatment design for the OWS to address the presence of bromides.

In addition, phosphate discharges into the Parr Reservoir are currently limited by SCDHEC due to the elevated level of phosphates otherwise occurring in the Broad River. These limits on phosphate discharges will require additional evaluation of plant discharges, and ultimately may result in design changes to waste water treatment processes planned for the Units. These issues are being addressed to ensure the best path forward for the project.

¹ The percentage of completion for site specific design for the quarter ending March 31, 2012 decreased when compared to the percentage of completion for site specific design for the quarter ending December 31, 2011. Additional site specific design work scope was incorporated into the planned site specific design work scheduled for the first quarter of 2012 thereby leading to an increase in the number of hours required to complete certain design work activities. While the project was able to complete its planned site specific design work schedule for completion during the first quarter of 2012, the incremental site specific design work that was added to the project caused the overall percentage of completion for site specific design work to decrease during the first quarter of 2012.

3. Procurement/Fabrication

a) The delays related to fabrication and delivery of the modules by SMS at its facility in Lake Charles, Louisiana continue to be an important area of focus for the project. Notwithstanding these delays, SCE&G has received on-site from SMS four wall submodules that form part of module CA-20 as well as four floor submodules.

On several occasions since 2010, SMS has re-baselined the initial module fabrication and delivery schedule; however, SMS has not yet provided SCE&G with a module fabrication and delivery schedule which takes into account the current status of the project. Efforts continue at a senior level to ensure that SMS addresses and corrects QA/QC and other issues related to module fabrication. Senior management from both SCE&G and WEC/Shaw continue to collaborate to determine a path forward. Currently, WEC personnel provide on-site engineering support for production at SMS. At the outset of the project, SCE&G representatives visited SMS on a quarterly basis. In light of SMS's performance, SCE&G increased its presence at SMS by conducting monthly visits which then led to weekly visits. In March 2012, SCE&G established a permanent, resident inspector at the SMS facility to provide additional oversight, reporting and support.

During November of 2011, the NRC conducted a follow-up inspection to an inspection conducted in January 2011 that was terminated early. By letter dated January 6, 2012, the NRC provided its inspection report to SMS. Several QA/QC issues were addressed, and remain open at the time of this filing. The NRC has scheduled an inspection of SMS at the Lake Charles facility in May 2012. Due to issuance of the COLs, the results of this upcoming inspection will now be on SCE&G's License Docket and as license holder, SCE&G will be accountable for compliance.

b) Currently, Mangiarotti (MN) is meeting quality and schedule expectations for the components it is manufacturing. Additional WEC personnel have been located at the facility to ensure that MN continues to maintain required levels of QA/QC and does not allow further schedule delays to arise. At the time of this filing, one BLRA milestone related to MN plant components is delayed by 15 months, as indicated in **Appendix 1**. Delays in the MN milestones are not expected to affect the substantial completion dates of the Units.

c) Endurance Testing of the lead AP1000 Reactor Coolant Pump (RCP) which is being supplied to an AP1000 construction project in China was successfully completed in March of 2012 with no issues. V.C. Summer RCP fabrication is proceeding on schedule.

d) Reactor Coolant Loop (RCL) Piping for the Reactor Coolant System (RCS) being manufactured by Tioga previously experienced delays in hot leg manufacturing due primarily to deviation in grain size. A BLRA milestone related to RCP piping was delayed by 13 months as of December 31, 2011. However, successful efforts to mitigate further delay have resulted in the completion of the milestone on March 19, 2012, as indicated in **Appendix 1**.

C. Construction

1. Switchyard construction work is progressing well, and the Switchyard is on schedule to be energized in the first half of 2013, which fully supports the project schedule.

2. Receipt of the COLs allowed safety-related dental concrete placement to begin in the Unit 2 NI.

3. Excavation of the Unit 3 Power Block continues with drilling and blasting of rock in the NI, and is on track for completion in the June/July 2012 timeframe.

4. Thus far, a total of four wall submodules that form part of module CA-20 have arrived on-site. They are CA20-02, CA20-06, CA20-07, and CA20-08B. There also are four floor submodules on-site at this time: CA20-34, CA20-38, CA20-61 and CA20-42. Several other submodules are near completion and are estimated to be shipped to the site within the next few weeks. One of the submodules that is anticipated to ship shortly is CA20-01. When it arrives, Shaw can begin on-site welding of Unit 2 module CA20.

5. Assembly of the Heavy Lift Derrick (HLD) was completed, and the boom was raised. Three hundred (300) ton load testing was completed successfully, and functional testing is ongoing.

6. The onsite fabrication of the Containment Vessel (CV) by Chicago Bridge & Iron (CB&I) is progressing well. CB&I has completed final welding of the BH2/BH3 circumferential weld joint on the Bottom Head Erection Stand and Radiographic Testing (RT) of pressure boundary welds. Assembly of the Ring 1 Erection Stand has been completed on Pad 3 and is ready for erection of Ring 1 in accordance with the current schedule. Schedule improvements continue to be made by the CB&I CV fabrication team with the utilization of two production shifts.

7. The NRC recently questioned certain changes made to the specifications for constructing the reinforcement steel – or rebar – cages that will ultimately be placed into the excavation site of the Units. According to the NRC, the changes made to the construction specifications should have been pre-approved by the NRC prior to the work being undertaken. As a result, construction of the rebar cages has ceased. To date, no rebar cages have been placed into the excavation site for the Units, and the construction schedule does not require the placement of rebar cages into the excavation site until a later date. In the meantime, SCE&G and WEC/Shaw are working with the NRC to establish a mutually satisfactory resolution of the issue.

D. Training

1. The second group of twelve training instructors for the Units completed Instructor Simulator Training on April 13, 2012, at WEC in Cranberry, PA. This completes the WEC Senior Reactor Operator (SRO) Certification training process for SCE&G instructors. All future instructor SRO certifications will be conducted onsite using SCE&G instructors.

2. Simulator hardware for the Unit 2/3 Limited Scope Simulators (LSS) has been delivered and installed in the Nuclear Learning Center (NLC) Annex simulator rooms. Site Acceptance Testing (SAT) of the Unit 2 Simulator has been performed and discrepancies have been communicated to WEC/Shaw. The Unit 3 SAT is in progress. Issues related to delivery of the LSS software models, and subsequent delivery of the Plant Reference Simulator (PRS), continue to be a challenge, and present potential risks to the schedule for Initial Licensed Operator (ILO) training and examinations. Human Factors Engineering/Integrated Systems Validation (HFE/ISV) testing on the LSS at WEC previously scheduled to begin in May 2012 has been postponed by WEC. Senior level management from SCE&G and WEC/Shaw are proactively working to mitigate potential schedule impacts to simulator delivery, testing, and subsequent certification of the PRS.

E. Change Control/Owners Cost Forecast

1. **EPC Contract Amendment No. 3** – This amendment to the EPC Contract defines and clarifies terms included in SCE&G's builders risk policy, and is in the process of being finalized.

2. **Ovation Workstations (EPC Contract Change Order No. 13)** – This change order represents a “no-cost” change order under which WEC/Shaw will provide three (3) Ovation Workstations in addition to those supplied with the

Standard Plant. It was approved by SCE&G in March of 2012. As part of the preliminary agreement between SCE&G and WEC/Shaw, this Change Order also provides a computerized system which supports use of the LSS and revision of Emergency and Abnormal Operating Procedures.

3. Cyber Security (EPC Contract Change Order No. 14) – A Change Order was executed on March 15, 2012, authorizing a phased approach to the costs associated with strengthening the Units' defenses against cyber-attack (Cyber Security) as mandated by the NRC. The change order includes a firm price scope of work that will involve review of the specific equipment and software at issue to identify vulnerabilities and devise a scope of work to protect against cyber-attack. These costs, as well as estimates of additional costs for implementing the resulting scope of work are included in the current cost forecasts.

4. Liquid Waste System (EPC Contract Change Order No. 15) – On March 15, 2012, SCE&G approved a Change Order for a detailed scope of work and associated costs for a revision to the design of the liquid waste discharge piping for gravity drainage. This cost has been included in the forecasts for the Units.

5. Operational Readiness and Other Owners Costs – SCE&G has completed the comprehensive review of its New Nuclear Deployment and Operational Readiness Staffing Plans which had been ongoing since 2008. The current staffing plan reflects the additional skills, training and experience that will be required for a staff that can safely and efficiently operate the Units. In addition, the plan reflects the cost for the accelerated hiring and training of staff to meet the schedule outlined in the preliminary agreement between SCE&G and WEC/Shaw to change the substantial completion dates of the Units. The updated Owners costs also include updated cost projections for information systems, facilities and other items.

6. Regulatory Delay/New Requirements Costs and Other Associated Costs – As indicated in previous reports, Change Order No. 11 addressed COL Delay and other related issues. As discussed earlier in Section II, SCE&G and WEC/Shaw have reached a preliminary agreement concerning claims by WEC/Shaw for additional charges associated with design modifications to the shield building and the structural modules (including resulting increases in construction costs for both), delays in NRC licensing, and unanticipated rock conditions where the foundations for the Unit 2 NI will be constructed (WEC/Shaw Claims). Costs associated with the WEC/Shaw Claims have been included in the updated cost forecast for the Units. In addition, the preliminary agreement fixes the escalation on the Fixed with Indexed Adjustment Category

going forward for the life of the project. These amounts were previously escalated based on the Handy-Whitman Indices. The Handy Whitman Indices will continue to be used in forecasting non-firm (Target) cost categories, *i.e.*, Actual Craft Wages, Non-Labor Costs and Time & Materials.

7. Transmission Costs – SCE&G has updated forecasted transmission costs associated with the Units based on additional design and engineering work, evaluation of power flows, and current information about right-of-way costs. As discussed in Section II, F below, SCE&G has determined that it is preferable to construct a new Saluda River 230/115 kV Substation rather than installing additional autobanks at the Lake Murray 230/115 kV Substation and the Denny Terrace 230/115 kV Substation. SCE&G will also perform terminal and bus upgrades at the Canadys, Summerville and Saluda Hydro substations. Further, SCE&G will underground a section of the Parr-VCSN Safeguard 115 kV line. Undergrounding this section of line will enhance safety and reliability. As a result of these and other changes and upgrades, transmission cost forecasts have increased by \$7.9 million. These updated costs have been included in the forecast for the Units.

F. Transmission

1. Killian Line – In early January 2012, in accordance with Order No. 2011-978, SCE&G began construction on the VCS-Winnsboro segment of the Killian Line. As of March 31, 2012, this first segment (approximately 13 miles) was about 80% complete. Right-of-way acquisition for the Blythewood-Killian segment continues with 31 of 50 required parcels having been acquired as of March 31, 2012, and another 16 parcels accessible through condemnation. As noted in Section II, E, 7 above, additional right-of-way acquisition costs will be incurred.

2. Lake Murray 230 kV Line No. 2 – This line and the segment of the St. George 230 kV Line No. 1 from VCS2 to the Lake Murray Substation share the same (double circuit) structure. Engineering & design is approximately 53% complete. No construction has commenced.

3. Unit 3 Lines – SCE&G anticipates filing an application under the Utility Facility Siting and Environmental Protection Act for approval of the Unit 3 lines (VCS2-St. George 230 kV Lines No. 1 & 2, excluding the segment of the No. 1 line filed with the Unit 2 lines) and associated facilities in the second quarter of 2012.

4. St. George Switching Station – The site for this switching station was purchased in 2009 and is currently undergoing environmental assessment.

5. Saluda River Substation – Based on further review of system conditions and requirements, SCE&G determined a new Saluda River 230/115kV substation is preferable to its original plan to install additional autobanks at its existing Lake Murray 230/115 kV and Denny Terrace 230/115 kV Substations. Space limitations within these substations would have dictated the construction of new additions adjacent to the existing substations. Further, reliability and operations considerations make it preferable not to place numerous transformers in a single location. SCE&G is currently in the process of purchasing the site for the new Saluda River 230/115 kV Substation that is adjacent to the St. George lines corridor. One of the St. George lines will fold-in to the new substation. Accommodating power flows from the Units under this new configuration (*i.e.*, the Saluda River 230/115 kV Substation configuration) will require upgrading and fold-in of the 115 kV line between the Saluda River substation and the Lyles substation

6. Parr-VCSN Safeguard Line – The Parr-VCSN Safeguard 115 kV line provides back up power to VCSN Unit 1. The existing routing of the Safeguard line and routing of four of the new transmission lines supporting the new Units resulted in an unavoidable, multiple 230 kV line crossing of the Safeguard line within the VCS plant property. To alleviate reliability and safety concerns, a short segment of the Parr-VCSN Safeguard 115 kV line will be rebuilt underground at the location of these multiple crossings.

7. Terminal and Bus Upgrades at Canadys, Summerville and Saluda Hydro Substation – Transmission line conductor upgrades planned as result of the new units also require the associated substation line terminal(s) to be upgraded. One terminal upgrade is required at Canadys Substation, one at Summerville Substation and two terminal upgrades at Saluda Hydro Substation. The 230 kV bus conductor must also be upgraded at the Canadys Substation.

8. Parr-Midway 115 kV Line – The existing Parr-Midway 115 kV transmission line parallels and runs near the new VCS2 switchyard. As a result of detail design and routing for the 230 kV transmission lines terminating into the new switchyard, the Parr-Midway line has been lowered to meet required minimum National Electric Safety Code crossing clearances.

III. Anticipated Construction Schedules

As of March 31, 2012, the Company and its contractors remain on schedule to complete all required milestones as adjusted pursuant to the milestone schedule contingencies approved by the Commission in Order No. 2009-104(A). Each of those

adjustments is itemized in the BLRA Milestone section that follows. Accordingly, the project is in compliance with the construction schedules approved by the Commission in Order No. 2010-12 and with the provisions of S.C. Code Ann. § 58-33-275(A)(1).

A. Construction Schedule

The Project Licensing and Permitting, Engineering, Procurement and Construction work remains on schedule to meet the Units' Substantial Completion Dates taking into account the schedule contingencies approved in Order 2009-104(A). A revised project schedule will be submitted as part of the Update Filing on May 15, 2012, as a result of the preliminary agreement between SCE&G and WEC/Shaw related to the Change Order No. 11 study.

B. BLRA Milestones

Appendix 1 to this quarterly report lists and updates each of the specific milestones constituting the anticipated construction schedule for the Units pursuant to S.C. Code Ann. § 58-33-270(B)(1) and Order No. 2010-12. Comparing the milestone dates in this quarter to the reset milestone dates in Order No. 2010-12, 21 milestones have been advanced and 45 have been delayed. None of the reset milestones are outside of the parameters established by Order No. 2009-104(A).

IV. Schedules of the Capital Costs Incurred Including Updates to the Information Required by S.C. Code Ann. § 58-33-270(B) (6) (the Inflation Indices)

The Capital Cost section of this report (Section IV.A) provides an update of the cumulative capital costs incurred and forecasted to be incurred in completing the project. These costs are compared to the cumulative capital cost targets approved by the Commission in Order No. 2011-345. The approved capital cost targets have been adjusted to reflect the currently reported historical escalation rates. There has not been any use by the Company of the capital cost timing contingencies that were approved by the Commission in Order No. 2009-104(A). The Inflation Indices section (Section IV.B) of this report provides updated information on inflation indices and the changes in them.

A. Capital Costs

Appendix 2 shows the Cumulative Project Cash Flow target as approved in Order No. 2011-345 and as updated for escalation and other Commission approved adjustments under the heading "**Per Order 2011-345 Adjusted.**"

Appendix 2 also shows the cumulative cash flow for the project based on actual expenditures to date and the Company's current forecast of cost and construction schedule under the heading "**Actual through March 2012* plus Projected.**"

As shown on **Appendix 2**, the actual expenditure for the project during the 12 months ended December 31, 2011 was approximately \$349 million. As shown on **Appendix 2**, line 39, the cumulative amount projected to be spent on the project as of December 31, 2012 is approximately \$1.924 billion. As shown on **Appendix 2**, line 18, the Cumulative Project Cash Flow target approved by the Commission for year-end 2012 adjusted for current escalation and WEC/Shaw billing differences is approximately \$2.182 billion. As a result, the cumulative cash flow at year-end 2012 is forecasted to be approximately \$258.1 million less than the target.

For comparison purposes, **Appendix 3** sets out the cash flow schedule for the project as it was approved in Order No. 2011-345. **Appendix 3** does not include any adjustments to the cash flow schedule for changes in inflation indices or adjustments in capital cost schedules made by the Company. The AFUDC forecast presented on **Appendix 3** is the AFUDC forecast that was current at the time of Order No. 2011-345.

B. Inflation Indices

Appendix 4 shows the updated inflation indices approved in Order No. 2009-104(A). Included is a history of the annual Handy Whitman All Steam Index, South Atlantic Region; the Handy Whitman All Steam and Nuclear Index, South Atlantic Region; the Handy Whitman All Transmission Plant Index, South Atlantic Region; and the Chained GDP Index for the past 10 years. The changes in these indices and the escalation-related effects of cost rescheduling resulted in a decrease in the projected cost of the Units in future dollars from \$6.3 billion as forecast in Order No. 2009-104(A) to a forecast of \$5.8 billion using current inflation data.

V. Updated Schedule of Anticipated Capital Costs

The updated schedule of anticipated capital costs for Units 2 & 3 is reflected in **Appendix 2**.

VI. Conclusion

The construction project is proceeding safely and efficiently. Since the last quarterly report, the project has met major milestones with the issuance of the COLs, 404 Permit and Full Notice to Proceed. The Units are currently anticipated to be completed at a cost of approximately \$4.6 billion in 2007 dollars. The Company maintains an extensive staff of experts that monitors and oversees the work of its contractors and has identified and continues to monitor closely all areas of concern related to either cost or schedule for the project. The Company will continue to update the Commission and ORS of progress and concerns as the project proceeds.

ATTACHMENT 1

GLOSSARY OF ACRONYMS OR DEFINED TERMS

Acronym or Defined Term	Reference
7Q10	A standard low-water flow condition used for evaluating the environmental effects of discharges and withdrawals from rivers and streams. The conditions are calculated to reflect the lowest average 7-day flow expected to be encountered during any 10-year period.
ACRS	Advisory Committee on Reactor Safeguards - a committee organized to independently review license applications and advise the NRC.
AECOM	A private engineering firm that works for Norfolk Southern railroad.
AFUDC	Allowance for Funds Used During Construction.
AP1000	The WEC designed Advanced Pressurized water nuclear reactor of approximately 1000 megawatts generating capacity.
ASER	Advanced Safety Evaluation Report—a report by the NRC staff concerning its evaluation of the safety aspects of a nuclear license application.
ASLB	The Atomic Safety Licensing Board of the Nuclear Regulatory Commission.
BH2	Bottom Head 2 Plates – Second course or middle plates of the Containment Vessel Bottom Head.
BH3	Bottom Head 3 Plates – Third course or top plates of the Containment Vessel Bottom Head.
BLRA	The Base Load Review Act, S.C. Code Ann. § 58-33-210 et seq. (Supp. 2009).
Bottom Head Erection Stand	Support structure that holds the Containment Vessel Bottom Head during construction (not plant equipment).
CA	The designation for a specific pre-fabricated construction module that forms part of the reactor building, such as Module CA20.
CAR	A Corrective Action Report related to design, engineering or construction of the Units, or related processes, that must be corrected.
CB&I	Chicago Bridge & Iron, a sub-contractor on the project.
CFC	Certified For Construction—engineering and design drawings that are ready for construction to begin.
Challenged Costs	Costs for which WEC/Shaw has asserted the right to additional cost recovery under the EPC Contract including costs associated with a) NRC licensing delays, b) redesign of the shield building, c) redesign of certain pre-fabricated modules for the Units, and d) unanticipated rock conditions.
COLs	Combined Operating Licenses for construction and operation of a nuclear unit issued by the NRC.
COLA	A Combined Operating License Application.
Commission	The Public Service Commission of South Carolina.
Consortium	The joint venture between WEC Electric Company, LLC and the Shaw Group to construct the Units under the terms of the EPC Contract.
CR	A Condition Report communicating and memorializing concerns with the design, engineering or construction of the Units, or related processes, which report in some cases can become the basis for a Corrective Action Report.
CV	The Containment Vessel which provides containment for the reactor vessel and associated equipment.
CVBH	The Containment Vessel Bottom Head that forms the bottom of the Containment Vessel.

ATTACHMENT 1

GLOSSARY OF ACRONYMS OR DEFINED TERMS

Acronym or Defined Term	Reference
CWIP	Construction Work in Progress.
CWS	The Circulating Water System –the system that will transport waste heat from the turbines to the cooling towers.
Cyber Security	Technologies, processes and practices designed to protect networks, computers, programs and data from attack, damage or unauthorized access.
DCD	Design Control Document which is approved by the Nuclear Regulatory Commission document and sets forth the approved design of a nuclear reactor.
DSM	Demand Side Management-programs to reduce the demand for electrical capacity and energy.
EIS	An Environmental Impact Statement as required by the National Environmental Policy Act of 1969.
EMD	The sub-contractor for the Reactor Cooling Pump.
EPA	The United States Environmental Protection Agency.
EPC Contract	The Engineering, Procurement and Construction Agreement for construction of the Units entered into by SCE&G and WEC/Shaw.
FEIS	A Final Environmental Impact Statement as required by the National Environmental Policy Act of 1969.
FERC	The Federal Energy Regulatory Commission.
FFD	Fitness For Duty, a program that seeks to provide reasonable assurance that site personnel are trustworthy, will perform their tasks in a reliable manner, and are not under the influence of substances or otherwise impaired in a way that may adversely affect their ability to safely and competently perform their duties.
Fixed/Firm	Prices under the EPC Contract which are either fixed or are firm but subject to defined escalation rates.
FNTP	Full Notice to Proceed authorizing all remaining safety-related work to commence.
FSER	A Final Safety Evaluation Report—a report by the NRC staff concerning its evaluation of the safety aspects of a nuclear license application.
GDP	Gross Domestic Product.
HFE/ISV	Human Factors Engineering/Integrated Systems Validation –part of the development of a training simulator for the Units.
HL or Hot Leg	That part of the Reactor Cooling Loop that transports steam to the steam generators.
HLD	Heavy Lift Derrick - the derrick that will be erected on site to move large modules and equipment.
IFC	Issued for Construction –engineering drawings that include information necessary for construction of specific structures, systems and components.
ILO	Initial Licensed Operator
IPS	Integrated Project Schedule for licensing and construction of the Units.
ITACC	Inspections, Tests, Analyses, and Acceptance Criteria which are the inspections, tests, analyses and acceptance criteria that the NRC has determined to be necessary and sufficient to demonstrate that an nuclear unit has been constructed and will operate in conformity with the COL, the Atomic Energy Act of 1954, as amended, and the NRC's regulations.
LNTP	Limited Notice to Proceed authorizing a vendor to commence specific work.
LSS	Limited Scope Simulator –a training simulator with limited functionality that can be used for the initial stages of operator training.

ATTACHMENT 1

GLOSSARY OF ACRONYMS OR DEFINED TERMS

Acronym or Defined Term	Reference
MAB	Module Assembly Building -a building on site where large modules will be constructed and equipment will be prepared for installation in a space that is protected from the elements.
MN	Mangiarotti –a supplier of nuclear components headquartered in Sedegliano, Italy.
Near Term Task Force	A senior level task force created by the NRC to address lessons learned from the 2011 earthquake and tsunami in Fukushima, Japan with operating nuclear plants and new reactor applicants.
NEI	Nuclear Energy Institute
Nelson Studs	Metal studs used in composite construction to secure concrete to steel components. The studs project out of the steel components and are surrounded by the concrete when it is poured.
NI	Nuclear Island, comprising the steel containment vessel, the reactor building, and the auxiliary building.
NLC	Nuclear Learning Center - a training facility operated by SCE&G at the Jenkinsville site.
NN or NND	The New Nuclear Deployment Team within SCE&G.
NPDES	National Pollutant Discharge Elimination System.
NRC	The United States Nuclear Regulatory Commission.
Opinion	The opinion in South Carolina Energy Users Comm. v. South Carolina Pub. Serv. Comm’n, 388 S.C. 486, 697 S.E.2d 587 (2010).
ORS	South Carolina Office of Regulatory Staff.
OWS	Off Site Water System – the system that withdraws water from Monticello Reservoir and provides potable and filtered water for the Units.
Pike	Pike Energy Solutions, a contractor for transmission and switchyard related work.
PRA	Probabilistic Risk Assessment.
PRS	Plant Reference Simulator – a training simulator with full functionality that can be used in all stages of operator training.
QA	Quality Assurance – The planned and systematic activities implemented in a quality system so that the quality requirements for a product or service will be fulfilled.
QA/QC	Quality Assurance/Quality Control.
QC	Quality Control – The observation techniques and activities used to fulfill requirements for quality.
RAI	Requests for Additional Information issued by the NRC staff to license applicants.
RCA	Root Cause Analysis – identification and evaluation of the reason for non-conformance, an undesirable condition, or a problem which (when solved) restores the status quo.
RCL	The Reactor Coolant Loop –the piping and related equipment that transports heat from the reactor to the steam generator.
RCP	The Reactor Cooling Pump which forms part of the Reactor Coolant System.
RCS	The Reactor Coolant System -the complete system for transferring and transporting heat from the reactor to the steam generator.
RFI	Requests for Information issued by the NRC staff to licensees.
ROW	Right-of-way.

ATTACHMENT 1

GLOSSARY OF ACRONYMS OR DEFINED TERMS

Acronym or Defined Term	Reference
RT	Radiographic Testing - a nondestructive testing method of inspecting materials for hidden flaws by using the ability of short wavelength electromagnetic radiation (high energy photons) to penetrate various materials.
RWS	Raw Water System –the system for withdrawing and transporting raw water from the Monticello Reservoir.
SAT	Site Acceptance Testing
SCDHEC	The South Carolina Department of Health and Environmental Control.
SCDNR	The South Carolina Department of Natural Resources.
SCE&G or The Company	South Carolina Electric & Gas Company.
SER	Safety Evaluation Report—a report by the NRC staff concerning its evaluation of the safety aspects of a nuclear license application.
Shaw	The Shaw Group.
SMS	Shaw Module Solutions, LLC.
SRO	Senior Reactor Operator
Target	Costs under the EPC Contract where targets have been established but where SCE&G pays actual costs as incurred.
Units	V. C. Summer Nuclear Station Units 2 & 3.
USACOE	The United States Army Corps of Engineers.
VCSNS or VCSN	V. C. Summer Nuclear Station.
WEC	WEC Electric Company, LLC.
WEC/Shaw	The consortium formed by WEC Electric Company, LLC and the Shaw Group.
WEC/Shaw Claims	WEC/Shaw’s claims for additional charges associated with the COLs delay, the Shield Building design changes, the structural modules design changes, and the lower than anticipated rock elevations encountered in certain areas where the Unit 2 Nuclear Island.
WTP	The Off-Site Water Treatment Plant which will take water from Lake Monticello and treat it to potable water standards.
WWS	The Waste Water System –the system for collection, treatment and disposal of domestic waste water generated on site.

APPENDIX 1

V. C. Summer Nuclear Station Units 2 & 3

**Quarterly Report to the South Carolina Office of Regulatory Staff
Submitted by South Carolina Electric & Gas Company
Pursuant to Public Service Commission Order No. 2009-104(A)**

Quarter Ending March 31, 2012

Appendix 1 lists and updates each of the milestones which the Commission adopted as the Approved Construction Schedule for the Units, pursuant to S.C. Code Ann. § 58-33-270(B)(1) in Order No. 2010-12. **Appendix 1** provides columns with the following information:

1. Milestone tracking ID number.
2. The description of the milestone as updated in Order No. 2010-12.
3. The BLRA milestone date, both by year and quarter and the specific calendar date for the milestone, as approved by the Commission in Order No. 2010-12.
4. The current milestone date, both by year and quarter and the specific calendar date for the milestone.
5. For each actual completed milestone, the date by which it was completed. For milestones completed prior to the current reporting quarter, the milestone entry is shaded in gray. For milestones completed during the current reporting quarter, the milestone entry is shaded in green. For milestones with planned completion dates that vary in days instead of months, the milestone entry is shaded in yellow.
6. Information showing the number of months, if any, by which a milestone has been shifted.
7. Information as to whether any milestone has been shifted outside of the 18/24 Month Contingency approved by the Commission.
8. Information as to whether any current change in this milestone is anticipated to impact the substantial completion date.
9. Notes.

On the final page of the document, there is a chart summarizing milestone completion and movement comparing the current milestone date to the milestone date approved in Order No. 2010-12. This movement is shown for only the milestones that have not been completed.

Appendix 1

VC Summer Units 2 and 3

Tracking ID	Order No.	Original Description	Contract Completion Date	Actual Completion Date	Estimated Completion Date	Monitoring Status	Completion Status
1	08-2Q-1:	Approve Engineering Procurement and Construction Agreement	5/23/2008			No	No
2	08-2Q-2:	Issue P.O.'s to nuclear component fabricators for Units 2 and 3 Containment Vessels	12/3/2008			No	No
3	08-2Q-2:	Contractor Issue PO to Passive Residual Heat Removal Heat Exchanger Fabricator - First Payment - Unit 2	8/31/2008			No	No
4	08-2Q-2:	Contractor Issue PO to Accumulator Tank Fabricator - Unit 2	7/31/2008			No	No
5	08-2Q-2:	Contractor Issue PO to Core Makeup Tank Fabricator - Units 2 & 3	9/30/2008			No	No
6	08-2Q-2:	Contractor Issue PO to Squib Valve Fabricator - Units 2 & 3	3/31/2009			No	No
7	08-2Q-2:	Contractor Issue PO to Steam Generator Fabricator - Units 2 & 3	6/30/2008			No	No
8	08-2Q-2:	Contractor Issue Long Lead Material PO to Reactor Coolant Pump Fabricator - Units 2 & 3	6/30/2008			No	No
9	08-2Q-2:	Contractor Issue PO to Pressurizer Fabricator - Units 2 & 3	8/31/2008			No	No
10	08-2Q-2:	Contractor Issue PO to Reactor Coolant Loop Pipe Fabricator - First Payment - Units 2 & 3	6/30/2008			No	No
11	08-2Q-2:	Reactor Vessel Internals - Issue Long Lead Material PO to Fabricator - Units 2 and 3	11/21/2008			No	No
12	08-2Q-2:	Contractor Issue Long Lead Material PO to Reactor Vessel Fabricator - Units 2 & 3	6/30/2008			No	No
13	08-2Q-2:	Contractor Issue PO to Integrated Head Package Fabricator - Units 2 & 3	7/31/2009			No	No

Appendix 1

VC Summer Units 2 and 3

Item No.	Description	Original PO Number	Revised PO Number	Completion Date	Completion Status	Completion Date	Completion Status	Completion Date	Completion Status
14	08-2Q-2: Control Rod Drive Mechanism Issue PO for Long Lead Material to Fabricator - Units 2 and 3 - first payment	6/21/2008		6/21/2008	No		No		No
15	08-2Q-2: issue P.O.'s to nuclear component fabricators for Nuclear Island structural CA20 Modules	7/31/2009		8/28/2009	No		No		No
16	08-3Q-1: Start Site Specific and balance of plant detailed design	9/11/2007		9/11/2007	No		No		No
17	08-3Q-2: Instrumentation & Control Simulator - Contractor Place Notice to Proceed - Units 2 & 3	10/31/2008		10/31/2008	No		No		No
18	08-3Q-3: Steam Generator - Issue Final PO to Fabricator for Units 2 and 3	6/30/2008		6/30/2008	No		No		No
19	08-3Q-3: Reactor Vessel Internals - Contractor Issue PO for Long Lead Material (Heavy Plate and Heavy Forgings) to Fabricator - Units 2 & 3	1/31/2010		1/29/2010	No		No		No
20	08-3Q-3: Contractor Issue Final PO to Reactor Vessel Fabricator - Units 2 & 3	9/30/2008		9/30/2008	No		No		No
21	08-3Q-4: Variable Frequency Drive Fabricator Issue Transformer PO - Units 2 & 3	4/30/2009		4/30/2009	No		No		No
22	08-4Q-1: Start clearing, grubbing and grading	1/26/2009		1/26/2009	No		No		No
23	08-4Q-2: Core Makeup Tank Fabricator Issue Long Lead Material PO - Units 2 & 3	10/31/2008		10/31/2008	No		No		No
24	08-4Q-2: Accumulator Tank Fabricator Issue Long Lead Material PO - Units 2 & 3	10/31/2008		10/31/2008	No		No		No
25	08-4Q-2: Pressurizer Fabricator Issue Long Lead Material PO - Units 2 & 3	10/31/2008		10/31/2008	No		No		No
26	08-4Q-2: Reactor Coolant Loop Pipe - Contractor Issue PO to Fabricator - Second Payment - Units 2 & 3	4/30/2009		4/30/2009	No		No		No

Appendix 1
VC Summer Units 2 and 3

12-1Q

Tracking ID	Order No. 2010-12-1Q	12-1Q Milestone Completion Date	Actual Completion Date	12 Month Milestone Completion Date	18 Month Milestone Completion Date	24 Month Milestone Completion Date
27	08-4Q-2: Integrated Head Package - Issue PO to Fabricator - Units 2 and 3 - second payment	7/31/2009		7/31/2009	No	No
28	08-4Q-2: Control Rod Drive Mechanisms - Contractor Issue PO for Long Lead Material to Fabricator - Units 2 & 3	6/30/2008		6/30/2008	No	No
29	08-4Q-2: Contractor Issue PO to Passive Residual Heat Removal Heat Exchanger Fabricator - Second Payment - Units 2 & 3	10/31/2008		10/31/2008	No	No
30	9-1Q-1: Start Parr Road Intersection work.	2/13/2009		2/13/2009	No	No
31	09-1Q-2: Reactor Coolant Pump - Issue Final PO to Fabricator - Units 2 and 3	6/30/2008		6/30/2008	No	No
32	09-1Q-3: Integrated Heat Packages Fabricator Issue Long Lead Material PO - Units 2 & 3	10/31/2009		10/1/2009	No	No
33	09-1Q-4: Design Finalization Payment 3	1/31/2009		1/30/2009	No	No
34	09-2Q-1: Start site development	6/23/2008		6/23/2008	No	No
35	09-2Q-2: Contractor Issue PO to Turbine Generator Fabricator - Units 2 & 3	2/28/2009		2/19/2009	No	No
36	09-2Q-2: Contractor Issue PO to Main Transformers Fabricator - Units 2 & 3	9/30/2009		9/25/2009	No	No
37	09-2Q-3: Core Makeup Tank Fabricator Notice to Contractor Receipt of Long Lead Material - Units 2 & 3	11/30/2010		12/30/2010	No	No
38	09-2Q-4: Design Finalization Payment 4	4/30/2009		4/30/2009	No	No
39	09-3Q-1: Turbine Generator Fabricator Issue PO for Condenser Material - Unit 2	8/31/2009		8/28/2009	No	No
40	09-3Q-2: Reactor Coolant Pump Fabricator Issue Long Lead Material Lot 2 - Units 2 & 3	4/30/2009		4/30/2009	No	No

Color Legend ☐ - Completed ☐ - Completed this Quarter ☐ - Movement in Days Early

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41	09-3Q-2: Passive Residual Heat Removal Heat Exchanger Fabricator Receipt of Long Lead Material - Units 2 & 3	5/31/2010		5/27/2010		No	No
42	09-3Q-3: Design Finalization Payment 5	7/31/2009		7/31/2009		No	No
43	09-4Q-1: Start erection of construction buildings, to include craft facilities for personnel, tools, equipment; first aid facilities; field offices for site management and support personnel; temporary warehouses; and construction hiring office.	10/9/2009		12/18/2009		No	No
44	09-4Q-2: Reactor Vessel Fabricator Notice to Contractor of Receipt of Flange Nozzle Shell Forging - Unit 2	7/31/2009		8/28/2009		No	No
45	09-4Q-3: Design Finalization Payment 6	10/31/2009		10/7/2009		No	No
46	09-4Q-4: Instrumentation and Control Simulator - Contractor Issue PO to Subcontractor for Radiation Monitor System - Units 2 & 3	12/31/2009		12/17/2009		No	No
47	10-1Q-1: Reactor Vessel Internals - Fabricator Start Fit and Welding of Core Shroud Assembly - Unit 2	6/30/2011		7/29/2011		No	No
48	10-1Q-2: Turbine Generator Fabricator Issue PO for Moisture Separator Reheater/Feedwater Heater Material - Unit 2	4/30/2010		4/30/2010		No	No
49	10-1Q-3: Reactor Coolant Loop Pipe Fabricator Acceptance of Raw Material - Unit 2	4/30/2010		2/18/2010		No	No
50	10-2Q-1: Reactor Vessel Internals - Fabricator Start Weld Neutron Shield Spacer Pads to Assembly - Unit 2	11-4Q 10/31/2011	12-3Q 7/31/2012		+9 Month(s)	No	Due to schedule refinement and review.
51	10-2Q-2: Control Rod Drive Mechanisms - Fabricator to Start Procurement of Long Lead Material - Unit 2	6/30/2009		6/30/2009		No	No

Appendix 1

VC Summer Units 2 and 3

Task No.	Description	Order No.	10-1Q Completion Date	10-2Q Completion Date	10-3Q Completion Date	10-4Q Completion Date	Contractor's Monthly Meeting Results	Completion Date	Note
52	10-2Q-3: Contractor Notified that Pressurizer Fabricator Performed Cladding on Bottom Head - Unit 2	11/30/2010		12/23/2010		No	No		
53	10-3Q-1: Start excavation and foundation work for the standard plant for Unit 2	3/15/2010		3/15/2010		No	No		
54	10-3Q-2: Steam Generator Fabricator Notice to Contractor of Receipt of 2nd Steam Generator Tubesheet Forging - Unit 2	2/28/2010		4/30/2010		No	No		
55	10-3Q-3: Reactor Vessel Fabricator Notice to Contractor of Outlet Nozzle Welding to Flange Nozzle Shell Completion - Unit 2	2/28/2010		12/30/2010		No	No		
56	10-3Q-4: Turbine Generator Fabricator Notice to Contractor Condenser Fabrication Started - Unit 2	5/31/2010		5/17/2010		No	No		
57	10-4Q-1: Complete preparations for receiving the first module on site for Unit 2.	8/18/2010		1/22/2010		No	No		
58	10-4Q-2: Steam Generator Fabricator Notice to Contractor of Receipt of 1st Steam Generator Transition Cone Forging - Unit 2	4/30/2010		4/21/2010		No	No		
59	10-4Q-3: Reactor Coolant Pump Fabricator Notice to Contractor of Manufacturing of Casing Completion - Unit 2	11/30/2010		11/16/2010		No	No		
60	10-4Q-4: Reactor Coolant Loop Pipe Fabricator Notice to Contractor of Machining, Heat Treating & Non-Destructive Testing Completion - Unit 2	12/31/2010		3/20/2012		No	No		
61	11-1Q-1: Core Makeup Tank Fabricator Notice to Contractor of Satisfactory Completion of Hydrotest - Unit 2	11-2Q 5/31/2011	12-3Q 7/31/2012	+14 Month(s)	No	No	No		Due to schedule refinement and review.

[illegible]

62	11-1Q-2: Polar Crane Fabricator Issue PO for Main Hoist Drum and Wire Rope - Units 2 & 3	2/28/2011		2/1/2011		No	No
63	11-2Q-1: Control Rod Drive Mechanisms - Fabricator to Start Procurement of Long Lead Material - Unit 3	6/30/2011		6/14/2011		No	No
64	11-2Q-2: Turbine Generator Fabricator Notice to Contractor Condenser Ready to Ship - Unit 2	10/31/2011		3/26/2012		No	No
65	11-3Q-1: Start placement of mud mat for Unit 2	11-3Q 7/14/2011	12-2Q 5/11/2012		+10 Month(s)	No	Due to schedule refinement and review.
66	11-3Q-2: Steam Generator Fabricator Notice to Contractor of Receipt of 1st Steam Generator Tubing - Unit 2	1/31/2011		9/28/2010		No	No
67	11-3Q-3: Pressurizer Fabricator Notice to Contractor of Welding of Upper and Intermediate Shells Completion - Unit 2	10/31/2010		10/28/2011		No	No
68	11-3Q-4: Reactor Vessel Fabricator Notice to Contractor of Closure Head Cladding Completion - Unit 3	12-1Q 2/28/2012	12-2Q 4/30/2012		+2 Month(s)	No	Due to schedule refinement and review.
69	11-4Q-1: Begin Unit 2 first nuclear concrete placement	11-4Q 10/3/2011	12-3Q 7/31/2012		+9 Month(s)	No	Due to schedule refinement and review.
70	11-4Q-2: Reactor Coolant Pump Fabricator Notice to Contractor of Stator Core Completion - Unit 2	9/30/2011		12/1/2011		No	No
71	11-4Q-3: Fabricator Start Fit and Welding of Core Shroud Assembly - Unit 2	6/30/2011		7/29/2011		No	No
72	11-4Q-4: Steam Generator Fabricator Notice to Contractor of Completion of 1st Steam Generator Tubing Installation - Unit 2	5/31/2011		1/27/2012		No	No

Appendix 1
VC Summer Units 2 and 3

12-1Q

Tracking ID	Order No. 2010-14 Description	Order No. 2010-14 Date	12-1Q Target Milestone Completion Date	12-2Q Target Milestone Completion Date	12-3Q Target Milestone Completion Date	12-4Q Target Milestone Completion Date	12-1Q Milestone Completion Date	12-2Q Milestone Completion Date	12-3Q Milestone Completion Date	12-4Q Milestone Completion Date	Due to schedule refinement and review.
73	11-4Q-5: Reactor Coolant Loop Pipe - Shipment of Equipment to Site - Unit 2	12-4Q 12/31/2012	12-4Q 12/31/2012							No	No
74	11-4Q-6: Control Rod Drive Mechanism - Ship Remainder of Equipment (Latch Assembly & Rod Travel Housing) to Head Supplier - Unit 2	11-4Q 12/31/2011	12-2Q 6/30/2012							No	Due to schedule refinement and review.
75	11-4Q-7: Pressurizer Fabricator Notice to Contractor of Welding of Lower Shell to Bottom Head Completion - Unit 2	10/31/2010		12/22/2011						No	
76	11-4Q-8: Steam Generator Fabricator Notice to Contractor of Completion of 2nd Steam Generator Tubing Installation - Unit 2	11-2Q 6/30/2011	12-2Q 4/30/2012							No	Due to schedule refinement and review.
77	11-4Q-9: Design Finalization Payment 14	10/31/2011		10/31/2011						No	
78	12-1Q-1: Set module CA04 for Unit 2	12-1Q 1/27/2012	12-4Q 10/16/2012							No	Due to schedule refinement and review.
79	12-1Q-2: Passive Residual Heat Removal Heat Exchanger Fabricator Notice to Contractor of Final Post Weld Heat Treatment - Unit 2	6/30/2010		5/24/2011						No	
80	12-1Q-3: Passive Residual Heat Removal Heat Exchanger Fabricator Notice to Contractor of Completion of Tubing - Unit 2	11-1Q 1/31/2011	12-2Q 4/30/2012							No	Due to schedule refinement and review.
81	12-1Q-4: Polar Crane Fabricator Notice to Contractor of Girder Fabrication Completion - Unit 2	12-1Q 2/28/2012	12-4Q 10/31/2012							No	Due to schedule refinement and review.
82	12-1Q-5: Turbine Generator Fabricator Notice to Contractor Condenser Ready to Ship - Unit 3	13-3Q 8/31/2013	13-3Q 8/31/2013							No	
83	12-2Q-1: Set Containment Vessel ring #1 for Unit 2	12-2Q 4/3/2012	13-3Q 7/5/2013							No	Due to schedule refinement and review.

Color Legend ☐ = Completed ☐ = Completed this Quarter ☐ = Movement in Days Daily

Color Legend

<input type="checkbox"/>	= Completed
<input type="checkbox"/>	= Completed this Quarter
<input type="checkbox"/>	= Movement in Days Only

Appendix 1
VC Summer Units 2 and 3

12-1Q

Tracking ID	Order No. 2010/12 Description	Order No. 2010/12 Date	12-1Q Targeted Completion Date	Actual Completion Date	Date Month(s) from Order No. 2010/12 Date	Outside 12/24 Month Continuity	Substantial Completion Date	Impact?	Notes
94	12-4Q-3: Reactor Coolant Pump Fabricator Notice to Contractor of Final Stator Assembly Completion - Unit 2	12-4Q 11/30/2012	13-2Q 5/31/2013		+6 Month(s)	No	No		Due to schedule refinement and review.
95	12-4Q-4: Steam Generator Fabricator Notice to Contractor of Completion of 2nd Steam Generator Tubing Installation - Unit 3	13-2Q 5/31/2013	13-2Q 4/30/2013		-1 Month(s)	No	No		Schedule ahead of plan.
96	12-4Q-5: Steam Generator Fabricator Notice to Contractor of Satisfactory Completion of 1st Steam Generator Hydrotest - Unit 2	12-2Q 5/31/2012	13-1Q 1/31/2013		+8 Month(s)	No	No		Due to schedule refinement and review.
97	13-1Q-1: Start concrete fill of Nuclear Island structural modules CA01 and CA02 for Unit 2	13-1Q 2/26/2013	14-1Q 2/4/2014		+12 Month(s)	No	No		Due to schedule refinement and review.
98	13-1Q-2: Passive Residual Heat Removal Heat Exchanger - Delivery of Equipment to Port of Entry - Unit 2	12-2Q 4/30/2012	12-3Q 8/31/2012		+4 Month(s)	No	No		Due to schedule refinement and review.
99	13-1Q-3: Refueling Machine Fabricator Notice to Contractor of Satisfactory Completion of Factory Acceptance Test - Unit 2	13-1Q 2/28/2013	13-4Q 10/31/2013		+8 Month(s)	No	No		Due to schedule refinement and review.
100	13-1Q-4: Deliver Reactor Vessel Internals to Port of Export - Unit 2	13-3Q 7/31/2013	13-3Q 7/31/2013			No	No		
101	13-2Q-1: Set Unit 2 Containment Vessel #3	13-2Q 4/17/2013	14-2Q 4/1/2014		+12 Month(s)	No	No		Due to schedule refinement and review.
102	13-2Q-2: Steam Generator - Contractor Acceptance of Equipment at Port of Entry - Unit 2	13-1Q 3/31/2013	13-2Q 4/30/2013		+1 Month(s)	No	No		Due to schedule refinement and review.
103	13-2Q-3: Turbine Generator Fabricator Notice to Contractor Turbine Generator Ready to Ship - Unit 2	13-2Q 4/30/2013	13-1Q 3/31/2013		-1 Month(s)	No	No		Schedule ahead of plan.
104	13-2Q-4: Pressurizer Fabricator Notice to Contractor of Satisfactory Completion of Hydrotest - Unit 3	14-1Q 2/28/2014	13-4Q 12/31/2013		-2 Month(s)	No	No		Schedule ahead of plan.

Color Legend ☐ = Completed ☐ = Completed this Quarter ☐ = Movement in Days Only

Appendix 1
VC Summer Units 2 and 3

12-1Q

Tracking ID	Order No. 2010-12 Description	Order No. 2010-12 Date	12-1Q Targeted Milestone Completion Date	Actual Completion Date	Days Month from Order Date	Order No. 2010-12 Confirmation Date	Substantial Completion Date	Notes
105	13-2Q-5: Polar Crane - Shipment of Equipment to Site - Unit 2	13-2Q 5/31/2013	13-4Q 12/31/2013		+7 Month(s)	No	No	Due to schedule refinement and review.
106	13-2Q-6: Receive Unit 2 Reactor Vessel on site from fabricator	13-2Q 5/20/2013	14-2Q 5/13/2014		+12 Month(s)	No	No	Due to schedule refinement and review.
107	13-3Q-1: Set Unit 2 Reactor Vessel	13-2Q 6/18/2013	14-2Q 5/30/2014		+11 Month(s)	No	No	Due to schedule refinement and review.
108	13-3Q-2: Steam Generator Fabricator Notice to Contractor of Completion of 2nd Channel Head to Tubesheet Assembly Welding - Unit 3	13-4Q 12/31/2013	13-4Q 12/31/2013			No	No	
109	13-3Q-3: Reactor Coolant Pump Fabricator Notice to Contractor of Final Stator Assembly Completion - Unit 3	14-3Q 8/31/2014	14-1Q 2/28/2014		-6 Month(s)	No	No	Schedule ahead of plan.
110	13-3Q-4: Reactor Coolant Pump - Shipment of Equipment to Site (2 Reactor Coolant Pumps) - Unit 2	13-3Q 9/30/2013	13-3Q 8/31/2013		-1 Month(s)	No	No	Schedule ahead of plan.
111	13-3Q-5: Place first nuclear concrete for Unit 3	13-3Q 8/1/2013	13-3Q 8/1/2013			No	No	
112	13-4Q-1: Set Unit 2 Steam Generator	13-3Q 9/9/2013	14-4Q 10/1/2014		+13 Month(s)	No	No	Due to schedule refinement and review.
113	13-4Q-2: Main Transformers Ready to Ship - Unit 2	13-3Q 9/30/2013	13-3Q 7/31/2013		-2 Month(s)	No	No	Schedule ahead of plan.
114	13-4Q-3: Complete Unit 3 Steam Generator Hydrotest at fabricator	14-1Q 2/28/2014	14-2Q 4/30/2014		+2 Month(s)	No	No	Due to schedule refinement and review.
115	13-4Q-4: Set Unit 2 Containment Vessel Bottom Head on basemat legs	11-4Q 11/21/2011	12-3Q 9/19/2012		+10 Month(s)	No	No	Due to schedule refinement and review.

Color Legend ☐ = Completed ☐ = Completed this Quarter ☐ = Movement in Days Only

Appendix 1
VC Summer Units 2 and 3

12-1Q

Tracking ID	Order No. 2010-12-01	Order No. 2010-12-01	12-1Q Targeted Milestone Completion Date	Actual Completion Date	Delta Month from Order No. 2010-12-01	Outlets 18/27 Completion Date	Submittal Completion Date	Notes
116	14-1Q-1: Set Unit 2 Pressurizer Vessel	14-1Q 1/24/2014	14-1Q 3/18/2014		+2 Month(s)	No	No	Due to schedule refinement and review.
117	14-1Q-2: Reactor Coolant Pump Fabricator Notice to Contractor of Satisfactory Completion of Factory Acceptance Test - Unit 3	15-1Q 2/28/2015	15-1Q 3/31/2015		+1 Month(s)	No	No	Due to schedule refinement and review.
118	14-1Q-3: Deliver Reactor Vessel Internals to Port of Export - Unit 3	15-2Q 6/30/2015	15-2Q 4/30/2015		-2 Month(s)	No	No	Schedule ahead of plan.
119	14-1Q-4: Main Transformers Fabricator Issue PO for Material - Unit 3	14-2Q 4/30/2014	14-3Q 7/31/2014		+3 Month(s)	No	No	Due to schedule refinement and review.
120	14-2Q-1: Complete welding of Unit 2 Passive Residual Heat Removal System piping	14-1Q 3/19/2014	15-1Q 1/14/2015		+10 Month(s)	No	No	Due to schedule refinement and review.
121	14-2Q-2: Steam Generator - Contractor Acceptance of Equipment at Port of Entry - Unit 3	15-2Q 4/30/2015	14-3Q 9/30/2014		-7 Month(s)	No	No	Schedule ahead of plan.
122	14-2Q-3: Refueling Machine - Shipment of Equipment to Site - Unit 3	14-2Q 5/31/2014	14-2Q 5/31/2014			No	No	
123	14-3Q-1: Set Unit 2 Polar Crane	14-2Q 4/3/2014	15-1Q 2/15/2015		+10 Month(s)	No	No	Due to schedule refinement and review.
124	14-3Q-2: Reactor Coolant Pumps - Shipment of Equipment to Site - Unit 3	15-2Q 6/30/2015	15-3Q 8/31/2015		+2 Month(s)	No	No	Due to schedule refinement and review.
125	14-3Q-3: Main Transformers Ready to Ship - Unit 3	14-3Q 9/30/2014	15-2Q 6/30/2015		+9 Month(s)	No	No	Due to schedule refinement and review.
126	14-4Q-1: Spent Fuel Storage Rack - Shipment of Last Rack Module - Unit 3	14-4Q 12/31/2014	14-2Q 6/30/2014		-6 Month(s)	No	No	Schedule ahead of plan.
127	15-1Q-1: Start electrical cable pulling in Unit 2 Auxiliary Building	14-4Q 12/26/2014	15-4Q 12/14/2015		+12 Month(s)	No	No	Due to schedule refinement and review.

Color Legend ☐ - Completed ☐ - Completed this Quarter ☐ - Movement in Days Only

Appendix 1
VC Summer Units 2 and 3

12-1Q

Tracking ID	Order No. 2010-12-15	12-1Q Targeted Milestone Completion Date	Actual Completion Date	Shift Months from Order No. 2010-12-15	Contract Months	Completion Status	Impact	Notes
128	15-1Q-2: Complete Unit 2 Reactor Coolant System cold hydro	15-3Q 8/3/2015	16-1Q 2/27/2016	+6 Month(s)	No	No	Due to schedule refinement and review.	
129	15-2Q-1: Activate class 1E DC power in Unit 2 Auxiliary Building.	15-1Q 3/5/2015	15-2Q 6/10/2015	+3 Month(s)	No	No	Due to schedule refinement and review.	
130	15-3Q-1: Complete Unit 2 hot functional test.	15-3Q 9/21/2015	16-2Q 6/18/2016	+9 Month(s)	No	No	Due to schedule refinement and review.	
131	15-3Q-2: Install Unit 3 ring 3 for containment vessel	15-3Q 7/30/2015	15-2Q 4/15/2015	-3 Month(s)	No	No	Schedule ahead of plan.	
132	15-4Q-1: Load Unit 2 nuclear fuel	15-4Q 10/28/2015	16-3Q 9/17/2016	+11 Month(s)	No	No	Due to schedule refinement and review.	
133	16-1Q-1: Unit 2 Substantial Completion	16-2Q 4/1/2016	17-1Q 3/15/2017	+11 Month(s)	No	No	Due to schedule refinement and review.	
134	16-2Q-1: Set Unit 3 Reactor Vessel	15-4Q 10/1/2015	15-2Q 4/21/2015	-6 Month(s)	No	No	Schedule ahead of plan.	
135	16-3Q-1: Set Unit 3 Steam Generator #2	15-4Q 12/22/2015	15-4Q 10/16/2015	-2 Month(s)	No	No	Schedule ahead of plan.	
136	16-4Q-1: Set Unit 3 Pressurizer Vessel	16-2Q 5/16/2016	16-1Q 3/9/2016	-2 Month(s)	No	No	Schedule ahead of plan.	
137	16-4Q-1: Complete welding of Unit 3 Passive Residual Heat Removal System piping	16-2Q 6/20/2016	16-2Q 4/21/2016	-2 Month(s)	No	No	Schedule ahead of plan.	
138	17-2Q-1: Set Unit 3 polar crane	16-3Q 7/18/2016	16-2Q 4/27/2016	-3 Month(s)	No	No	Schedule ahead of plan.	

Color Legend ☐ - Completed ☐ - Completed this Quarter ☐ - Movement in Days Only

Appendix 1

VC Summer Units 2 and 3

Tracking ID	Order No.	Milestone Completion Date	Actual Completion Date	Planned Milestone Completion Date	Outstanding Work Month(s)	Substantial Completion Date	Notes
139	17-1Q 1/16/2017	17-1Q 8/2/2016		-5 Month(s)	No	No	Schedule ahead of plan.
140	17-2Q 4/6/2017	17-2Q 10/10/2016		-6 Month(s)	No	No	Schedule ahead of plan.
141	17-2Q 6/9/2017	17-2Q 7/1/2016		-11 Month(s)	No	No	Schedule ahead of plan.
142	18-1Q 1/1/2018	18-1Q 11/17/2017		-2 Month(s)	No	No	Schedule ahead of plan.
143	18-1Q 2/15/2018	18-1Q 3/8/2018		+1 Month(s)	No	No	Due to schedule refinement and review.
144	18-3Q 7/31/2018	18-3Q 7/12/2018			No	No	
145	18-4Q 10/31/2018	18-4Q 11/15/2018		+1 Month(s)	No	No	Due to schedule refinement and review.
146	19-1Q 1/1/2019	19-1Q 1/1/2019			No	No	

SUMMARY

Total Milestones Completed	72	out of	146 =	49%
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Milestone Movement - Order No. 2010-12 vs. 12-1Q:

a) Forward Movement	45	out of	146 =	31%
b) Backward Movement	21	out of	146 =	14%
Milestones Within +12 to +17 Month range	9	out of	146 =	6%

APPENDIX 2

V. C. Summer Nuclear Station Units 2 & 3

**Quarterly Report to the South Carolina Office of Regulatory Staff
Submitted by South Carolina Electric & Gas Company
Pursuant to Public Service Commission Order No. 2009-104(A)**

Quarter Ending March 31, 2012

Appendix 2 is an updated and expanded version of the information contained in the capital cost schedule approved by the Commission in Order No. 2011-345.

Appendix 2 shows:

1. The actual expenditures on the project by plant cost category through the current period.
2. The changes in capital costs reflecting the Company's current forecast of expenditures on the project for each future period by plant cost category. In updating its cost projections the Company has used the current construction schedule for the project and the Commission-approved inflation indices as set forth in **Appendix 4** to this report.
3. The cumulative CWIP for the project and the balance of CWIP that is not yet reflected in revised rates.
4. The current rate for calculating AFUDC computed as required under applicable FERC regulations.

The Cumulative Project Cash Flow target as approved in Order No. 2011-345 and as updated for escalation and other Commission-approved adjustments is found under the heading "**Per Order 2011-345 Adjusted.**" The adjustments reflect:

1. Changes in inflation indices.
2. Budget Carry-Forward Adjustments used, where appropriate to track the effect of lower-than-expected cumulative costs on the future cumulative cash flow of the project.

Appendix 2 also shows the cumulative cash flow for the project based on actual expenditures to date and the current construction schedule and forecast of year-by-year costs going forward. This information is found under the heading "**Actual through March 2012* plus Projected.**"

Appendix 2
RESTATED and UPDATED CONSTRUCTION EXPENDITURES
(Thousands of \$)

V.C. Summer Units 2 and 3 - Summary of SCE&G Capital Cost Components

	Total	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Per Order 2011-345 Adjusted													
Annual Project Cash Flow(per order)	5,531,259	21,723	100,905	340,003	398,552	497,994	856,993	871,748	664,760	627,604	494,501	304,676	351,800
Capital Cost Rescheduling Contingency	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget Carry-Forward Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-
Net	5,531,259	21,723	100,905	340,003	398,552	497,994	856,993	871,748	664,760	627,604	494,501	304,676	351,800
Adjusted for Change in Escalation	5,203,574	21,723	100,905	340,003	398,552	489,161	831,999	826,210	617,539	576,025	439,593	266,339	295,525
Cumulative Project Cash Flow(Target)		21,723	122,628	462,631	861,183	1,350,344	2,182,343	3,008,553	3,626,092	4,202,117	4,641,710	4,908,049	5,203,574

Actual through March 2012* plus
Projected

	Total	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Plant Cost Categories													
Fixed with No Adjustment													
Firm with Fixed Adjustment A													
Firm with Fixed Adjustment B													
Firm with Indexed Adjustment													
Actual Craft Wages													
Non-Labor Costs													
Time & Materials													
Owners Costs													
Transmission Costs													
	329,512	-	26	724	927	11,964	57,206	56,903	57,508	77,990	64,727	1,537	-
Total Base Project Costs(2007 \$)	4,553,355	21,723	97,386	319,073	374,810	314,977	614,173	782,238	793,879	648,780	386,537	142,999	56,781
Total Project Escalation	970,629	-	3,519	20,930	23,741	34,084	99,789	169,965	215,848	184,800	134,815	58,409	24,729
Total Revised Project Cash Flow	5,523,984	21,723	100,905	340,003	398,551	349,061	713,961	952,204	1,009,727	833,579	521,351	201,408	81,510
Cumulative Project Cash Flow(Revised)		21,723	122,629	462,632	861,183	1,210,244	1,924,205	2,876,409	3,886,136	4,719,715	5,241,066	5,442,474	5,523,984
AFUDC(Capitalized Interest)	237,926	645	3,497	10,564	17,150	14,218	20,462	38,446	42,934	40,958	27,518	15,391	6,144
Gross Construction	5,761,910	22,368	104,403	350,567	415,701	363,278	734,424	990,649	1,052,661	874,537	548,870	216,798	87,654
Construction Work In Progress		22,368	126,771	477,338	893,039	1,256,317	1,990,741	2,981,390	4,034,051	4,908,588	5,457,458	5,674,257	5,761,910
CWIP Currently in Rates							1,100,196						
March 31, 2012 Actual Incremental CWIP Not Currently in Rates							344,535						

*Applicable index escalation rates for 2012 are estimated. Escalation is subject to restatement when actual indices for 2012 are final.

NOTES:

2012-2018 AFUDC rate applied

5.25%

The AFUDC rate applied is the current SCE&G rate. AFUDC rates can vary with changes in market interest rates. SCE&G's embedded cost of capital, capitalization ratios, construction work in process, and SCE&G's short-term debt outstanding.

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APPENDIX 3

V. C. Summer Nuclear Station Units 2 & 3

**Quarterly Report to the South Carolina Office of Regulatory Staff
Submitted by South Carolina Electric & Gas Company
Pursuant to Public Service Commission Order No. 2009-104(A)**

Quarter Ending March 31, 2012

For comparison purposes, **Appendix 3** provides the schedule of capital costs for the project which was approved by the Commission in Order No. 2011-345 as the Approved Capital Cost of the Units, pursuant to S.C. Code Ann. § 58-33-270(B)(2). **Appendix 3** also reflects the forecast of AFUDC expense based on these adjusted schedules and the AFUDC rates that were current at the time of Order No. 2011-345. **Appendix 3** is intended to provide a fixed point of reference for future revisions and updating. While the schedule of costs contained on **Appendix 3** is subject to revision for escalation, changes in AFUDC rates and amounts, capital cost scheduling contingencies and other contingency adjustments as authorized in Order No. 2009-104(A), no such adjustments have been made to the schedules presented here.

Appendix 3

RESTATED and UPDATED CONSTRUCTION EXPENDITURES
(Thousands of \$)

V.C. Summer Units 2 and 3 - Summary of SCE&G Capital Cost Components

Per Order 2011-345

Plant Cost Categories
Fixed with No Adjustment
Firm with Fixed Adjustment A
Firm with Fixed Adjustment B
Firm with Indexed Adjustment
Actual Craft Wages
Non-Labor Costs
Time & Materials
Owners Costs
Transmission Costs

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
	Actual			Projected								
Total												
321,591	-	26	724	884	7,252	7,775	12,095	29,822	35,236	43,035	73,678	111,064
4,270,404	21,723	97,386	319,073	377,225	440,602	696,093	669,056	483,136	438,767	323,231	193,183	210,926
1,260,855	-	3,519	20,930	21,327	57,391	160,900	202,693	181,623	188,837	171,270	111,492	140,874
Total Revised Project Cash Flow	21,723	100,905	340,003	398,552	497,994	856,993	871,748	664,760	627,604	494,501	304,676	351,800
Cumulative Project Cash Flow(Revised)	21,723	122,629	462,632	861,184	1,359,178	2,216,171	3,087,919	3,752,678	4,380,283	4,874,784	5,179,460	5,531,259
AFUDC(Capitalized Interest)	645	3,497	10,564	17,150	24,188	32,098	42,559	37,585	30,731	21,543	17,561	17,564
Construction Work In Progress	22,368	126,771	477,338	893,040	1,415,221	2,304,312	3,218,618	3,920,963	4,579,298	5,095,342	5,417,579	5,786,943

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APPENDIX 4

V. C. Summer Nuclear Station Units 2 & 3

**Quarterly Report to the South Carolina Office of Regulatory Staff
Submitted by South Carolina Electric & Gas Company
Pursuant to Public Service Commission Order No. 2009-104(A)**

Quarter Ending March 31, 2012

Appendix 4 shows the changes in the inflation indices approved in Order No. 2009-104(A). Included is a ten year history of the Handy Whitman All Steam Index, South Atlantic Region; the Handy Whitman All Steam and Nuclear Index, South Atlantic Region; the Handy Whitman All Transmission Plant Index, South Atlantic Region; and the Chained GDP Index. The change in the relevant indices from the Combined Application is also provided.

Appendix 4, Chart A

Inflation Indices, Chart A

HW All Steam Generation Plant Index, January 2012

<u>Year</u>	<u>Index</u>	<u>Yr/Yr change</u>	<u>Three Year Average</u>	<u>Five Year Average</u>	<u>Ten Year Average</u>
2012	579	4.51%	2.19%	3.91%	4.71%
2011	554	3.36%	2.30%	4.73%	
2010	536	-1.29%	3.89%	5.21%	
2009	543	4.83%	7.19%	7.19%	
2008	518	8.14%	7.50%	6.65%	
2007	479	8.62%	7.66%	5.51%	
2006	441	5.76%	5.49%	4.17%	
2005	417	8.59%	4.39%		
2004	384	2.13%	2.17%		
2003	376	2.45%			
2002	367	1.94%			
2001	360				

BLRA
Filing
Jul-07
7.68%
5.74%

Order 2010-12
Jan-09

Order 2011-345
Jul-10

Update
Jan-12

HW All Steam Index:

One year
Five Year

4.83%
7.19%

4.79%
5.31%

4.51%
3.91%

Appendix 4, Chart B

Inflation Indices, Chart B

HW All Steam and Nuclear Generation Plant Index, January 2012

<u>Year</u>	<u>Index</u>	<u>Yr/Yr change</u>	<u>Three Year Average</u>	<u>Five Year Average</u>	<u>Ten Year Average</u>
2012	578	4.52%	2.20%	3.87%	4.72%
2011	553	3.17%	2.30%	4.74%	
2010	536	-1.11%	3.89%	5.26%	
2009	542	4.84%	7.21%	7.20%	
2008	517	7.93%	7.52%	6.66%	
2007	479	8.86%	7.75%	5.57%	
2006	440	5.77%	5.51%	4.19%	
2005	416	8.62%	4.40%		
2004	383	2.13%	2.18%		
2003	375	2.46%			
2002	366	1.95%			
2001	359				

BLRA Filing Jul-07
7.69% 5.75%

Order 2010-12
Jan-09

Order 2011-345
Jul-10

Update
Jan-12

HW All Steam/Nuclear Index:

One year
Five Year

4.84%
7.20%

4.60%
5.32%

4.52%
3.87%

Appendix 4, Chart C

Inflation Indices, Chart C

HW All Transmission Plant Index, January 2012

<u>Year</u>	<u>Index</u>	<u>Yr/Yr change</u>	<u>Three Year Average</u>	<u>Five Year Average</u>	<u>Ten Year Average</u>
2012	578	2.48%	-0.07%	3.00%	4.55%
2011	564	1.44%	1.57%	4.33%	
2010	556	-4.14%	3.68%	5.74%	
2009	580	7.41%	8.11%	8.60%	
2008	540	7.78%	8.48%	7.71%	
2007	501	9.15%	9.27%	6.10%	
2006	459	8.51%	7.21%	4.76%	
2005	423	10.16%	4.28%		
2004	384	2.95%	1.72%		
2003	373	-0.27%			
2002	374	2.47%			
2001	365				

BLRA
Filing
Jul-07
8.82%
6.86%

Order 2010-12
Jan-09

Order 2011-345
Jul-10

Update
Jan-12

HW All Transmission Plant Index

One year
Five Year

7.41%
8.60%

5.08%
5.23%

2.48%
3.00%

Appendix 4

Inflation Indices, Chart D

ODP Chained Price Index, 2012

SERIES/TYPE	UNIT	SUBJECT LABEL	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Chained Price Index--Gross Domestic Product														
(2005=100) Chained price index-gross domestic product , Source: BEA , Units: Index- 2005=100.0														
U.S. Macro - 10 Year Baseline			88.65	90.65	92.11	94.10	96.77	100.00	104.21	106.23	108.56	109.73	111.00	113.34
Annual Percent change			2.17%	2.26%	1.61%	2.16%	2.84%	3.34%	4.21%	1.94%	2.19%	1.08%	1.16%	2.11%
3-Year Annual Percent change					2.01%	2.01%	2.20%	2.78%	3.46%	3.16%	2.78%	1.74%	1.47%	1.45%
5-Year Annual Percent change									2.83%	2.89%	2.90%	2.55%	2.11%	1.69%
10-Year Annual Percent change														2.26%
Consumer Price Index, All-Urban														
Index														
U.S. Macro - 10 Year Baseline														
Percent change														
3-Year Annual Percent change														
5-Year Annual Percent change														
10-Year Annual Percent change														
Producer Price Index--Finished Goods														
(1982=1.0) Producer price index-finished goods , Source: BLS , Units: Index- 1982=1.0														
U.S. Macro - 10 Year Baseline			1.38	1.41	1.39	1.43	1.49	1.56	1.60	1.67	1.77	1.73	1.80	1.91
Annual Percent change			3.76%	1.94%	-1.30%	3.18%	3.98%	4.70%	2.56%	4.38%	5.99%	-2.26%	4.05%	6.11%
3-Year Annual Percent change					1.44%	1.26%	1.93%	3.95%	3.74%	3.87%	4.30%	2.64%	2.53%	2.57%
5-Year Annual Percent change									2.60%	3.76%	4.31%	3.03%	2.90%	3.61%
10-Year Annual Percent change														3.10%

BLRA Filing JUL-07	Order 2010-12 JUL-09	Order 2011-345 JUL-10	Update Jan-12
2.68%	2.24%	0.43%	2.11%
2.81%	2.86%	1.97%	1.88%

ODP Chained Price Index

One year
Five Year

SOUTH CAROLINA ELECTRIC & GAS COMPANY

Allocation of Base Load Review Increase

2011 Peak Demand Summary Allocations

Class	Firm KW Demand	Overall Ratios
RES	2,084,996	45.94%
SGS	794,029	17.49%
MGS	453,136	9.98%
LGS	1,017,250	22.41%
RETAIL	4,349,411	95.82%
WHS	189,770	4.18%
TOTAL	4,539,181	100.00%

Total Revenue Requirement:

\$ 59,222,898

Breakdown of Class Increases

	Retail Ratios	Allocated Increase
RES	47.94%	\$ 27,204,694
SGS	18.25%	\$ 10,356,397
MGS	10.42%	\$ 5,913,077
LGS	23.39%	\$ 13,273,212
RETAIL	100.00%	\$ 56,747,380

Capitalization Ratios and Cost of Capital

SOUTH CAROLINA ELECTRIC & GAS COMPANY / S.C. FUEL COMPANY
REGULATORY CAPITALIZATION RATIOS FOR ELECTRIC OPERATIONS
AS OF MARCH 31, 2012 - ADJUSTED

	AMOUNT	RATIO	EMBEDDED COSTS	WEIGHTED AVERAGE COST OF CAPITAL	GROSS OF TAX
Long-Term Debt	\$ 3,164,980,000	45.89%	6.08%	2.79%	2.79%
Preferred Stock	\$ 100,000	0.00%	0.00%	0.00%	0.00%
Common Equity	<u>\$ 3,731,949,852</u>	<u>54.11%</u>	11.00%	<u>5.95%</u>	<u>9.68%</u>
Total Capitalization	<u>\$ 6,897,029,852</u>	<u>100.00%</u>		<u>8.74%</u>	<u>12.47%</u>

* March 2012 actual adjusted for planned equity transfers through June 30, 2012:

June 30, 2012 Projected \$ 24,347,654 Additional Equity transfers planned by June 30
from Stock Plans

South Carolina Electric & Gas Company
Base Load Review Act Revised Rates Filing
May 30, 2012
(Thousands of \$)

(SCE&G Allocation Only)

CWIP Currently in Rates as of June 30, 2011	\$ 1,100,237
Incremental Actual Additions to Plant through March 31, 2012	\$ 336,790
Incremental Actual AFUDC through March 31, 2012	\$ 7,755
Incremental Projected Additions to Plant April 1 through June 30, 2012	\$ 144,725
Incremental Projected AFUDC April 1 through June 30, 2012	<u>\$ 5,229</u>
Projected CWIP as of June 30, 2012	\$ 1,594,736
Incremental CWIP	\$ 494,499
Deferral of 1/2 of Change Order No. 11 Schedule Impact Study	\$ (52)
Removal of Costs Pending Approval in Docket No. 2012-203-E	\$ (19,524)
Net Incremental CWIP	\$ 474,923
Gross Cost of Capital	<u>12.47%</u>
Incremental Revenue Requirement	<u>\$ 59,223</u>
Allocation Factor for Retail Operation	<u>95.82%</u>
Allocated Retail Revenue Increase	<u>\$ 56,747</u>

SOUTH CAROLINA ELECTRIC & GAS COMPANY

RATE DESIGN SUMMARY
INCREASE ON APPROVED RATES

RATE CLASS	APPROVED REVENUE ¹	PROPOSED REVENUE	\$ CHANGE	% CHANGE
	COL. 1	COL. 2	COL. 3	COL. 4
RESIDENTIAL	\$ 1,010,583,397	\$ 1,037,759,927	\$ 27,176,530	2.69%
SMALL GENERAL SERVICE	\$ 405,602,874	\$ 415,948,540	\$ 10,345,666	2.55%
MEDIUM GENERAL SERVICE	\$ 240,243,477	\$ 246,150,390	\$ 5,906,913	2.46%
LARGE GENERAL SERVICE	\$ 580,716,143	\$ 593,975,360	\$ 13,259,217	2.28%
RETAIL TOTAL (EXCLUDING LIGHTING)	\$ 2,237,145,891	\$ 2,293,834,217	\$ 56,688,326	2.53%

¹ - Approved revenue reflects current rates plus a known adjustment approved by the Public Service Commission of South Carolina in Docket Number 2009-489-E. More specifically, the expiration of the Economic Impact Zone (EIZ) Tax Credits Rider.

EXHIBIT F

SOUTH CAROLINA ELECTRIC & GAS COMPANY PROPOSED ELECTRIC RATE SCHEDULES

Listed are the proposed electric rate schedules included as follows:

<u>Rate</u>	<u>Description</u>
1	Good Cents Residential Service
2	Low Use Residential Service
3	Municipal Power Service
5	Time-of-Use Residential Service
6	Energy Saver / Conservation Residential Service
7	Time-of-Use Demand Residential Service
8	Residential Service
9	General Service
10	Small Construction Service
11	Irrigation Service
12	Church Service
13	Municipal Lighting Service
14	Farm Service
15	Supplementary and Standby Service
16	Time-of-Use General Service
20	Medium General Service
	Rider to Rates 20 & 23 – Service for Cool Thermal Storage
21	General Service Time-of-Use Demand
21A	Experimental Program – General Service Time-of-Use Demand
22	School Service
23	Industrial Power Service
24	Large General Service Time-of-Use
28	Small General Service Time-of-Use Demand (Experimental)
	Contract Rates

RATE 1

RESIDENTIAL SERVICE
GOOD CENTS RATE

AVAILABILITY

Effective January 15, 1996 this schedule is closed and not available to any new structure.

This rate is available to customers who meet the Company's Good Cents requirements and use the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system to individually metered private residence and individually metered dwelling units in apartment structures or other multi-family residential structures. It is not available for resale service nor shall service be supplied to dwelling units having a total of more than ten rooms, five or more of which are rented or offered for rent to any person or persons not a member, or members, of the immediate family of the owner or lessor of the dwelling units.

A dwelling unit is defined as a room or group of rooms having, in addition to living quarters, kitchen facilities for the sole use of the family or individual occupying such dwelling unit.

CERTIFICATION REQUIREMENTS

Prior to construction, the customer or prospective customer must contact the Company to ascertain the requirements of the Good Cents Program and to arrange for on-site inspections for compliance.

The dwelling unit must be certified by the Company to meet or exceed the Company's Good Cents Program requirements in force at the time of application in order to qualify for service under this rate schedule.

CHARACTER OF SERVICE

Alternating Current, 60 hertz, single phase, 120 volts, 2 wire or 120/240 volts 3 wire.

RATE PER MONTH

	<u>Summer</u> (Billing Months June-September)	<u>Winter</u> (Billing Months October-May)
Basic Facilities Charge:	\$ 9.00	\$ 9.00
Plus Energy Charge:		
First 800 kWh @	\$ 0.12116 per kWh	\$ 0.12116 per kWh
Excess over 800 kWh @	\$ 0.13328 per kWh	\$ 0.11631 per kWh

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03634 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00132 per kWh for Demand Side Management expenses.

STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when customer pays the difference in costs between non-standard service and standard service or pays the Company its normal monthly facility charge based on such difference in costs.

TERM OF CONTRACT

Contracts shall be written for a period of not less than one (1) year. A separate contract shall be written for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

Effective Upon Approval Of The Public
Service Commission Of South Carolina

RATE 2

LOW USE RESIDENTIAL SERVICE

AVAILABILITY

This rate is available to customers that meet the special conditions listed below, and are served by the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system to individually metered private residences and individually metered dwelling units in apartment structures or other multi-family residential structures. It is not available for resale service nor shall service be supplied to dwelling units having a total of more than ten rooms, five or more of which are rented or offered for rent to any person or persons not a member, or members, of the immediate family of the owner or lessor of the dwelling units.

A dwelling unit is defined as a room or group of rooms having, in addition to living quarters, kitchen facilities for the sole use of the family or individual occupying such dwelling unit.

SPECIAL CONDITIONS OF SERVICE

- 1) This rate schedule is available to those accounts where the consumption has not exceeded 400 kWh for each of the twelve billing months preceding the billing month service is to be initially billed under this rate schedule. The customer must have occupied the dwelling unit for the entire time necessary to determine eligibility under this rate schedule.
- 2) Consumption during a billing period of more than 30 days, used to determine eligibility under this rate schedule, shall be adjusted to a 30 day billing period by application of a fraction, the numerator of which shall be 30 and the denominator of which shall be the actual number of days in the billing period.
- 3) The second billing month within a twelve billing month period that consumption under this rate schedule exceeds 400 kWh will terminate eligibility under this rate schedule.
- 4) Service will be billed under the previous rate schedule the next twelve billing periods before the customer will again be eligible for the Low Use Rate.

CHARACTER OF SERVICE

Alternating Current, 60 hertz, single phase, 120 volts, 2 wire or 120/240 volts 3 wire.

RATE PER MONTH

Basic Facilities Charge: \$ 9.00

Plus Energy Charge:

All kWh @ \$ 0.09416 per kWh

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03634 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00132 per kWh for Demand Side Management expenses.

STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

TERM OF CONTRACT

Contracts shall be written for a period of not less than one (1) year. A separate contract shall be written for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

Effective Upon Approval Of The Public
Service Commission Of South Carolina

RATE 3

MUNICIPAL
POWER SERVICE

AVAILABILITY

This rate is available to municipal customers using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system. This includes all municipally owned and operated facilities for power purposes including, but not restricted to public buildings and pumping stations. It is not available for resale or standby service.

CHARACTER OF SERVICE

Alternating Current, 60 hertz. Voltage and phase at the option of the Company.

RATE PER MONTH

Basic Facilities Charge: \$ 19.25

Plus Energy Charge:

All kWh @ \$ 0.10790 per kWh

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above, provided however, when construction costs exceed four (4) times the estimated annual revenue excluding fuel revenue to be derived by the Company, the customer may make a contribution in aid of construction of the excess cost or pay the Company's standard facility rate on the excess construction cost in addition to the rate charges above.

ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03628 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00189 per kWh for Demand Side Management expenses.

STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

SPECIAL PROVISIONS

Service shall not be supplied under this rate for establishments of a commercial nature, nor to operations primarily non-municipal. Under no conditions will the Company allow the service to be resold to or shared with others.

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

TERM OF CONTRACT

Contracts shall be written for a period of not less than ten (10) years. Contracts shall be written for a period of not less than ten (10) years.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

RATE 5

RESIDENTIAL SERVICE
TIME OF USE
(Page 1 of 2)

AVAILABILITY

This rate is available on a voluntary basis to customers using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system to individually metered private residences and individually metered dwelling units in apartment structures or other multi-family residential structures. It is not available for resale service nor shall service be supplied to dwelling units having a total of more than ten rooms, five or more of which are rented or offered for rent to any person or persons not a member, or members, of the immediate family of the owner or lessor of the dwelling units.

A dwelling unit is defined as a room or group of rooms having, in addition to living quarters, kitchen facilities for the sole use of the family or individual occupying such dwelling unit.

CHARACTER OF SERVICE

Alternating Current, 60 hertz, single phase, 120 volts, 2 wire or 120/240 volts 3 wire.

RATE PER MONTH

I. Summer Months of June-September

A. Basic Facilities Charge:	\$ 13.00
B. Energy Charge:	
All on-peak kWh @	\$ 0.28195 per kWh
All off-peak kWh @	\$ 0.09590 per kWh
C. Minimum Bill:	
The monthly minimum charge shall be the basic facilities charge	

II. Winter Months of October-May

A. Basic Facilities Charge:	\$ 13.00
B. Energy Charge:	
All on-peak kWh @	\$ 0.25657 per kWh
All off-peak kWh @	\$ 0.09590 per kWh
C. Minimum Bill:	
The monthly minimum charge shall be the basic facilities charge	

DETERMINATION OF ON-PEAK HOURS

A. On-Peak Hours:

Summer Months of June-September:

The on-peak summer hours are defined as the hours between 2:00 p.m.-7:00 p.m., Monday-Friday, excluding holidays.*

Winter Months of October-May:

The on-peak winter hours are defined as the hours between 7:00 a.m.-12:00 noon, Monday-Friday, excluding holidays.*

B. Off-Peak Hours:

The off-peak hours in any month are defined as all hours not specified as on-peak hours.

*Holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03634 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00132 per kWh for Demand Side Management expenses.

STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

Effective Upon Approval Of The Public
Service Commission Of South Carolina

RATE 5

RESIDENTIAL SERVICE
TIME OF USE
(Page 2 of 2)**SPECIAL PROVISIONS**

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

The Company shall have the right to install and operate special metering equipment to measure customer's loads or any part thereof and to obtain any other data necessary to determine the customer's load characteristics.

The Company's levelized payment plans are not available to customers served under this rate schedule.

TERM OF CONTRACT

Contracts shall be written for a period of not less than one (1) year. A separate contract shall be written for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

RATE 6

RESIDENTIAL SERVICE
ENERGY SAVER / CONSERVATION RATE
(Page 1 of 2)

AVAILABILITY

This rate is available to customers using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system to individually metered private residences and individually metered dwelling units in apartment structures or other multi-family residential structures. It is not available for resale service nor shall service be supplied to dwelling units having a total of more than ten rooms, five or more of which are rented or offered for rent to any person or persons not a member, or members, of the immediate family of the owner or lessor of the dwelling units.

A dwelling unit is defined as a room or group of rooms having, in addition to living quarters, kitchen facilities for the sole use of the family or individual occupying such dwelling unit.

The builder or homeowner must provide the following:

- 1) For new homes only - Proof that home meets the Council of American Building Officials Model Energy Code.
- 2) Receipts showing the purchase and installation of a new AC unit that meets the requirements as shown below.
- 3) A certificate issued by an installer showing a wall total cavity R value of 15 (R-15).
- 4) Certification from builder stating that requirements have been met.

The Company may perform an on-site audit to verify that customer meets availability requirements as stated herein.

THERMAL AND AIR CONDITIONING REQUIREMENTS FOR ENERGY CONSERVATION

The following requirements are predicated on the Council of American Building Officials Model Energy Code and subject to change with a change in the Council of American Building Officials Model Energy Code. Sufficient application of thermal control products and specified air conditioning requirements must be met to satisfy the minimum standards outlined below:

- Ceilings:** Ceilings of newly constructed homes shall be insulated with a total "as installed" thermal resistance (R) value of 30 (R-30).
Ceilings of manufactured housing shall be insulated with a thermal resistance (R) value of 30 (R-30).
Ceilings of existing housing shall be insulated with a total "as installed" thermal resistance (R) value of 38 (R-38).
- Lighting:** Recessed ceiling lights shall be sealed.
- Walls:** Walls exposed to the full temperature differential (TD), or unconditioned areas, shall have a total cavity R value of 15 (R-15).
*This is not a requirement for existing housing.
- Floors:** Floors over crawl space or crawl space walls shall have insulation installed having a total R value of 19 (R-19).
100% of the exposed earth in a crawl space shall be covered with a vapor barrier of no less than (4) mils.
- Windows:** Windows shall be insulated (double) glass or have storm windows.
- Doors:** Doors exposed to full TD areas must be weather-stripped on all sides and of solid construction.
- Ducts:** Air ducts located outside of conditioned space must have: 1) all joints properly fastened and sealed, and, 2) the duct shall have a minimum installed insulation R-value of 6.0. All joints in ductwork outside of the conditioned space must be permanently sealed with the application of duct sealant. Transverse joints, take-offs, transitions, supply/return connections to the air handler, boot connections to the floor/ceiling/wall, and framed-in and panned passages must be made airtight with duct sealant.
- Attic Vent:** Attic ventilation must be a minimum of one square foot of net free area for each 150 square feet attic floor area.
- Water Heaters:** Electric water heaters must have insulation surrounding the tank with minimum total R value of 8 (R-8).
- Air Condition:** All air conditioners must have a SEER rating of 1.0 SEER higher than the rating shown in the Council of American Building Officials Model Energy Code or any federal or state mandated energy codes, whichever is higher.
- Other:** Chimney flues and fireplaces must have tight fitting dampers.

*Insulation thermal resistance values are shown for insulation only, framing corrections will not be considered.

The "as installed" thermal resistance (R) value for all loose fill or blowing type insulation materials must be verifiable either by installed density using multiple weighted samples, the manufacturer's certification methods, Federal Trade Commission's procedures or other methods specified by local governing agencies.

RATE 6

RESIDENTIAL SERVICE
ENERGY SAVER / CONSERVATION RATE
(Page 2 of 2)

CHARACTER OF SERVICE

Alternating Current, 60 hertz, single phase, 120 volts, 2 wire or 120/240 volts 3 wire.

RATE PER MONTH

	<u>Summer</u> (Billing Month June-September)	<u>Winter</u> (Billing Month October-May)
<u>Basic Facilities Charge:</u>	\$ 9.00	\$ 9.00
<u>Plus Energy Charge:</u>		
First 800 kWh @	\$ 0.12116 per kWh	\$ 0.12116 per kWh
Excess over 800 kWh @	\$ 0.13328 per kWh	\$ 0.11631 per kWh

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03634 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00132 per kWh for Demand Side Management expenses.

STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

TERM OF CONTRACT

Contracts shall be written for a period of not less than one (1) year. A separate contract shall be written for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

RATE 7

RESIDENTIAL SERVICE
TIME-OF-USE DEMAND
(Page 1 of 2)

AVAILABILITY

This rate is available on a voluntary basis to customers using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system to individually metered private residences and individually metered dwelling units in apartments structures or other multi-family residential structures. It is not available for resale service nor shall service be supplied to dwelling units having a total or more than ten rooms, five or more of which are rented or offered for rent to any person or persons not a member, or members, of the immediate family of the owner or lessor of the dwelling units.

A dwelling unit is defined as a room or group of rooms having, in addition to living quarters, kitchen facilities for the sole use of the family or individual occupying such dwelling unit.

CHARACTER OF SERVICE

Alternating Current, 60 hertz, single phase, 120 volts, 2 wire or 120/240 volts 3 wire.

RATE PER MONTH

I. **Basic Facilities Charge:** \$ 13.00

II. **Demand Charge:**

A. On-Peak Billing Demand

Summer Months of June-September @	\$ 11.00 per KW
Non-Summer Months of October-May @	\$ 7.50 per KW

III. **Energy Charge:**

All on-peak kWh @	\$ 0.09353 per kWh
All off-peak kWh @	\$ 0.07506 per kWh

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

BILLING DEMAND

The maximum integrated fifteen minute demand for the current month occurring during the on-peak hours specified below. The maximum integrated fifteen minute demand for any period may be recorded on a rolling time interval.

DETERMINATION OF ON-PEAK HOURS

A. **On-Peak Hours:**

Summer Months of June-September:

The on-peak summer hours are defined as the hours between 2:00 p.m.-7:00 p.m., Monday-Friday, excluding holidays.*

Non-Summer Months of October-May:

The on-peak winter hours are defined as the hours between 7:00 a.m.-12:00 noon, Monday-Friday, excluding holidays.*

B. **Off-Peak Hours:**

The off-peak hours in any month are defined as all hours not specified as on-peak hours.

*Holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03634 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00132 per kWh for Demand Side Management expenses.

STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

Effective Upon Approval Of The Public
Service Commission Of South Carolina

RATE 7

**RESIDENTIAL SERVICE
TIME-OF-USE DEMAND**
(Page 2 of 2)**SPECIAL PROVISIONS**

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

The Company shall have the right to install and operate special metering equipment to measure customer's loads or any part thereof and to obtain any other data necessary to determine the customer's load characteristics.

The Company's levelized payment plans are not available to customers served under this rate schedule.

TERM OF CONTRACT

Contracts shall be written for a period of not less than one (1) year. A separate contract shall be written for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

RATE 8

RESIDENTIAL SERVICE

AVAILABILITY

This rate is available to customers using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system to individually metered private residences and individually metered dwelling units in apartment structures or other multi-family residential structures. It is not available for resale service nor shall service be supplied to dwelling units having a total of more than ten rooms, five or more of which are rented or offered for rent to any person or persons not a member, or members, of the immediate family of the owner or lessor of the dwelling units.

A dwelling unit is defined as a room or group of rooms having, in addition to living quarters, kitchen facilities for the sole use of the family or individual occupying such dwelling unit.

CHARACTER OF SERVICE

Alternating Current, 60 hertz, single phase, 120 volts, 2 wire or 120/240 volts 3 wire.

RATE PER MONTH

	<u>Summer</u> (Billing Month June-September)	<u>Winter</u> (Billing Month October-May)
<u>Basic Facilities Charge:</u>	\$ 9.00	\$ 9.00
<u>Plus Energy Charge:</u>		
First 800 kWh @	\$ 0.12618 per kWh	\$ 0.12618 per kWh
Excess over kWh @	\$ 0.13880 per kWh	\$ 0.12113 per kWh

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03634 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00132 per kWh for Demand Side Management expenses.

STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

TERM OF CONTRACT

Contracts shall be written for a period of not less than one (1) year. A separate contract shall be written for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

RATE 9

GENERAL SERVICE

(Page 1 of 2)

AVAILABILITY

This rate is available to customers using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system for general light and/or power purposes such as commercial, industrial, religious, charitable and eleemosynary institutions. It is not available for resale service.

CHARACTER OF SERVICE

Alternating Current, 60 hertz. Voltage and phase at the option of the Company.

RATE PER MONTH

	<u>Summer</u> (Billing Months June-September)	<u>Winter</u> (Billing Months October-May)
I. Basic Facilities Charge:	\$ 19.25	\$ 19.25
II. Demand Charge:		
First 250 KVA of Billing Demand	No Charge	No Charge
Excess over 250 KVA of Billing Demand @	\$ 3.40 per KVA	No Charge
The Billing Demand (to the nearest whole KVA) shall be the maximum integrated fifteen (15) minute demand measured during the billing months of June through September.		
III. Energy Charge:		
First 3,000 kWh @	\$ 0.12532 per kWh	\$ 0.12532 per kWh
Over 3,000 kWh @	\$ 0.13347 per kWh	\$ 0.11667 per kWh

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge and demand charge as stated above, provided however, when construction costs exceed four (4) times the estimated annual revenue excluding fuel revenue to be derived by the Company, the customer may make a contribution in aid of construction of the excess cost or pay the Company's standard facility rate on the excess construction cost in addition to the rate charges above.

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03628 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00189 per kWh for Demand Side Management expenses.

STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

POWER FACTOR

If the power factor of the Customer's installation falls below 85%, the Company may adjust the billing to a basis of 85% power factor.

TEMPORARY SERVICE

Temporary service for construction and other purposes will be supplied under this rate in accordance with the Company's Terms and Conditions covering such service.

PAYMENT TERMS

All bills are net and payable when rendered.

RATE 9

GENERAL SERVICE
(Page 2 of 2)**SPECIAL PROVISIONS**

This rate is available for residential service where more than one dwelling unit is supplied through a single meter, provided service to such dwelling unit was established prior to July 1, 1980.

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

UNMETERED SERVICE PROVISION

When customer's usage can be determined and in the sole opinion of the Company, installation of metering equipment is impractical or uneconomical, monthly Kwhrs. may be estimated by the Company and billed at the above rate per month, except that the basic facilities charge shall be \$7.00.

TERM OF CONTRACT

Contracts for installation of a permanent nature shall be written for a period of not less than one (1) year. A separate contract shall be written for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

RATE 10

SMALL CONSTRUCTION SERVICE

AVAILABILITY

This rate is available as a temporary service for builders using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system for general lighting and/or power purposes during construction. It is not available for resale or standby service.

CHARACTER OF SERVICE

Alternating Current, 60 hertz, single phase, two or three wire at Company's standard secondary service voltages of 240 volts or less.

RATE PER MONTH

Basic Facilities Charge: \$ 9.00

Plus Energy Charge:
All kWh @ \$ 0.12669 per kWh

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03628 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00189 per kWh for Demand Side Management expenses.

STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

SPECIAL PROVISIONS

If providing temporary service requires the Company to install transformers and other facilities which must be removed when temporary service is no longer required, then the customer may be required to pay the cost of installing and removing the Company's temporary facilities.

TERM OF CONTRACT

Contracts shall be written for a period of time commencing with establishment of service and ending when construction is suitable for occupancy or one year, which is less. A separate contract shall be written for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

RATE 11

IRRIGATION SERVICE

(Page 1 of 2)

AVAILABILITY

This rate is available to customers using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system. It is not available for resale. This schedule is available for service furnished for the operation of electric motor driven pumps and equipment supplying water for the irrigation of farmlands and plant nurseries, and irrigation to provide adequate moisture for vegetative cover to control erosion and provide runoff. The pumping units served hereunder shall be used solely for the purpose of irrigation.

All motors of more than 5 H.P. shall be approved by the Company. The Company reserves the right to deny service to any motor which will be detrimental to the service of other customers. Upon request, customer may pay all cost associated with upgrading the system to the point at which starting the customer's motor will not degrade the service to the other customers.

CHARACTER OF SERVICE

Alternating Current, 60 hertz. Voltage and phase at the option of the Company.

RATE PER MONTH

I. Summer Months of June-September

A. Basic Facilities Charge:	\$ 22.90
B. Energy Charge:	
All on-peak kWh @	\$ 0.22919 per kWh
All shoulder kWh @	\$ 0.13392 per kWh
All off-peak kWh @	\$ 0.08052 per kWh

II. Winter Months of October-May

A. Basic Facilities Charge:	\$ 22.90
B. Energy Charge:	
All kWh @	\$ 0.08052 per kWh

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above, except when the revenue produced by the customer does not sufficiently support the investment required to serve the load. The Company will determine in each case the amount and form of payment required to correct the revenue deficiency.

DETERMINATION OF ON-PEAK SHOULDER, AND OFF-PEAK HOURS

A. On-Peak Hours:

Summer Months of June-September:

The on-peak summer hours are defined as the hours between 2:00 p.m.-6:00 p.m., Monday-Friday, excluding holidays.*

B. Shoulder Hours:

Summer Months of June-September:

The shoulder summer hours are defined as the hours between 10:00 a.m.-2:00 p.m. and 6:00 p.m.-10:00 p.m., Monday-Friday, excluding holidays.*

C. Off-Peak Hours:

The off-peak hours in any month are defined as all hours not specified as on-peak or shoulder hours.

*Holidays are Independence Day and Labor Day.

ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03628 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00189 per kWh for Demand Side Management expenses.

STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

Effective Upon Approval Of The Public
Service Commission Of South Carolina

RATE 11

IRRIGATION SERVICE
(Page 2 of 2)**PAYMENT TERMS**

All bills are net and payable when rendered.

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

The Company shall have the right to install and operate special metering equipment to measure customer's loads or any part thereof and obtain any other data necessary to determine the customer's load characteristics.

TERM OF CONTRACT

Contracts for installations shall be written for a period of not less than ten (10) years. A separate contract shall be written for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

RATE 12**CHURCH SERVICE****AVAILABILITY**

This rate is available to customers using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system for general light and/or power service to churches. It is not available for resale or standby service. It is only available to recognized churches.

CHARACTER OF SERVICE

Alternating Current, 60 hertz. Voltage and phase at the option of the Company.

RATE PER MONTH

Basic Facilities Charge: \$ 13.55

Plus Energy Charge:

All kWh @ \$ 0.10787 per kWh

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above, provided however, when construction costs exceed four (4) times the estimated annual revenue excluding fuel revenue to be derived by the Company, the customer may make a contribution in aid of construction of the excess cost or pay the Company's standard facility rate on the excess construction cost in addition to the rate charges above.

ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03628 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00189 per kWh for Demand Side Management expenses.

STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Under no conditions will the Company allow the service to be resold to or shared with others. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

When a church offers activities that, in the sole opinion of the Company, are of a commercial nature such as day care, camps or recreational activities, the Company may require that the account be served under the appropriate general service rate.

TERM OF CONTRACT

Contracts shall be written for a period of not less than five (5) years. A separate contract shall be written for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

RATE 13

MUNICIPAL
LIGHTING SERVICE

AVAILABILITY

This rate is available to municipal customers using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system. This includes all municipally owned and operated facilities for lighting streets, highways, parks and other public areas, or other signal system service. It is not available for resale or standby service.

CHARACTER OF SERVICE

Alternating Current, 60 hertz. Voltage and phase at the option of the Company.

RATE PER MONTH

Basic Facilities Charge: \$ 19.25

Plus Energy Charge:

All kWh @ \$ 0.10143 per kWh

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above, provided however, when construction costs exceed four (4) times the estimated annual revenue excluding fuel revenue to be derived by the Company, the customer may make a contribution in aid of construction of the excess cost or pay the Company's standard facility rate on the excess construction cost in addition to the rate charges above.

ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03628 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00189 per kWh for Demand Side Management expenses.

STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

SPECIAL PROVISIONS

Service shall not be supplied under this rate for establishments of a commercial nature, nor to operations primarily non-municipal. Under no circumstances will the Company allow the service to be resold or shared with others.

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

TERM OF CONTRACT

Contracts shall be written for a period of not less than ten (10) years.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

RATE 14**FARM SERVICE****AVAILABILITY**

This rate is available to customers using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system on farms for producing but not processing agricultural, dairy, poultry and meat products.

Service shall not be supplied under this rate for establishments of a commercial nature such as stores, shops, stands, restaurants, service stations or any non-farm operations; nor for processing, distributing or selling farm or other products not originating through production on the premises served. Motors rated in excess of 20 H.P. will not be served on this rate. It is available for farm commercial operations including irrigation, grain elevators and crop drying for farm products produced on the premises served. It is not available for resale service.

CHARACTER OF SERVICE

Alternating Current, 60 hertz. Voltage and phase at the option of the Company.

RATE PER MONTH

	Summer (Billing Months June-September)	Winter (Billing Months October-May)
Basic Facilities Charge:	\$ 9.00	\$ 9.00
Plus Energy Charge:		
First 800 kWh @	\$ 0.12669 per kWh	\$ 0.12669 per kWh
Excess over 800 kWh @	\$ 0.13931 per kWh	\$ 0.12164 per kWh

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above, provided however, when construction costs Exceed four (4) times the estimated annual revenue excluding fuel revenue to be derived by the Company, the customer may make a contribution in aid of construction of the excess cost or pay the Company's standard facility rate on the excess construction cost in addition to the rate charges above.

ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03628 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00189 per kWh for Demand Side Management expenses.

STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state and governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

TERM OF CONTRACT

The contract terms will depend on the conditions of service. No contract shall be written for a period of not less than five (5) years. A separate contract shall be written for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

Effective Upon Approval Of The Public
Service Commission Of South Carolina

RATE 15

SUPPLEMENTARY AND STANDBY SERVICE

(Page 1 of 2)

AVAILABILITY

Available to Small Power Producers and co-generators that are a Qualifying Facility as defined by the Federal Energy Regulatory Commission (FERC) Order No. 70 under Docket No. RM 79-54. This schedule is not available to Qualifying Facilities with a power production capacity greater than 100 KW.

SUPPLEMENTARY SERVICE

Supplementary service is defined herein as power supplied by the Company to a Qualifying Facility in addition to that which the Qualifying Facility generates itself. Supplementary service will be provided by the Company under a retail electric service schedule which the customer will establish in conjunction with the implementation of this Supplementary and Standby Service rate.

SUPPLEMENTARY SERVICE

- 1) Standby service under this schedule is defined herein as power supplied by the Company to a Qualifying Facility to replace energy ordinarily generated by a Qualifying Facility during a scheduled or unscheduled outage.
- 2) Standby service is available to customers establishing a firm demand which is billed under a retail electric service schedule of the Company. If no firm demand is established by the customer for the purpose of taking Supplementary power, then Standby service will be provided as Supplementary service and billed on the applicable retail electric service schedule.
- 3) Standby service is defined for each 15-minute interval as the minimum of: (1) the Standby contracted demand, and, (2) the difference between the measured load and the contracted firm demand, except that such difference shall not be less than zero.
- 4) Supplementary Service is defined as all power supplied by the Company not defined herein as Standby Service.
- 5) The Standby contract demand shall be limited to the power production capacity of the Qualifying Facility.

STANDBY SERVICE POWER RATE PER MONTH

Basic Facilities Charge	\$ 195.00
Demand Charge per KW of Contract Demand	\$ 5.27
Energy Charge:	
On-Peak kWh @	\$ 0.06886 per kWh
Off-Peak kWh @	\$ 0.05101 per kWh

DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

- A. On-Peak Hours:
On-peak hours are defined to be 10:00 a.m. - 10:00 p.m. for the months of June-September, excluding weekends.
- B. Off-Peak Hours:
All hours not defined as on-peak hours are considered to be off-peak.

POWER FACTOR

The customer must maintain a power factor of as near unity as practicable. If the power factor of the customer's installation falls below 85%, the Company shall adjust the billing demand to a basis of 85% power factor.

LIMITING PROVISION

The Standby Service power rate will be available for 1325 annual hours of consumption beginning in May and ending in April, or for a prorated share thereof for customers who begin to receive service in months other than May. Accounts on this rate are subject to the following condition: Standby service will be available for a maximum of 120 On-Peak Hours.

If this account exceeds: (1) 1325 hours of Standby service annually, or (2) 120 on-peak hours of Standby service, the account will be billed on the rate normally applied to customer's Supplementary service load for the current billing month and the subsequent eleven months.

ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03610 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00131 per kWh for Demand Side Management expenses.

Effective Upon Approval Of The Public
Service Commission Of South Carolina

RATE 15

SUPPLEMENTARY AND STANDBY SERVICE

(Page 2 of 2)

STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

SPECIAL PROVISIONS

The customer is responsible for all costs associated with interconnection to the Company's system for the purpose of obtaining Supplementary or Standby power.

TERM OF CONTRACT

Contracts shall be written for a period of not less than three (3) years.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

RATE 16

GENERAL SERVICE
TIME-OF-USE
(Page 1 of 2)

AVAILABILITY

This rate is available to any non-residential customer using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system for power and light requirements and having an on-peak demand of less than 1,000 KW. The second billing month within a twelve billing month period that on-peak demand exceeds 1,000 KW will terminate eligibility under this rate schedule. It is not available for resale service.

CHARACTER OF SERVICE

Alternating Current, 60 hertz. Voltage and phase at the option of the Company.

RATE PER MONTH

I. Basic Facilities Charge:		\$ 22.90
II. Energy Charge:		
A. On-Peak kWh		
1. Months of June-September	\$ 0.22919	per kWh
2. Months of October-May	\$ 0.17558	per kWh
B. Off-Peak kWh		
First 1,000 off-peak kWh @	\$ 0.09374	per kWh
Excess over 1,000 off-peak kWh @	\$ 0.09936	per kWh

DETERMINATION OF ON-PEAK HOURS

A. On-Peak Hours:

June-September:

The on-peak summer hours are defined as the hours between 1:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.*

October-May:

The on-peak non-summer hours are defined as those hours between 6:00 a.m.-10:00 a.m. and 6:00 p.m.-10:00 p.m.

Monday-Friday, excluding holidays.*

B. Off-Peak Hours:

The off-peak hours in any month are defined as all hours not specified as on-peak hours.

*Holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above, provided however, when construction costs exceed four (4) times the estimated annual revenue excluding fuel revenue to be derived by the Company, the customer may make a contribution in aid of construction cost in addition to the rate charges above.

ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03628 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00189 per kWh for Demand Side Management expenses.

STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

RATE 16

GENERAL SERVICE

TIME-OF-USE

(Page 2 of 2)

EXPERIMENTAL UNIFORM LOAD PROVISION

For applications where the customer has an expectation of their equipment operating at a constant level, or 100% Load Factor (same usage level for every hour of a billing period), the Company may use a standard meter, without time-of-use capability, to record monthly energy usage. In such instances, the customer will be required to submit to the Company engineering specifications, meter history results, or other pertinent data that would demonstrate the expectation of a constant, or uniform load. The Company will make the final determination as to whether an account qualifies for service under this provision.

The Rate Per Month would be the Rate 16 Basic Facilities Charge plus the product of the customer's actual metered energy times the kWh Energy Charge as determined in the table below:

Tier	Average Energy Usage per Month	Energy Charge
A	0 - 999 kWh	\$ 0.11687 per kWh
B	1,000 - 1,999 kWh	\$ 0.11690 per kWh
C	2,000 - 3,000 kWh	\$ 0.11840 per kWh

For purposes of determining the appropriate Tier for each specific account, Average Energy Usage per Month will be determined by taking a simple average of the last 12 months of historical energy consumption. For new accounts, a Company calculation will be performed based upon the customer technical data requirements mentioned earlier. The Company may also take into account any other such data as deemed appropriate for Tier assignment. When an account has been assigned to a Tier, it shall be billed under the associated Energy Charge each month until an equipment change noted by the customer or Company test result that may nullify eligibility as specified below. Tier assignments will not change on a month to month basis. Accounts averaging more than 3,000 kWh per month will not be eligible for service under this Provision and will be metered under the standard Time-of-Use provisions of Rate 16. The Company will make the final determination as to the appropriate Tier assignment for all accounts.

The customer shall notify the Company in writing if the customer's equipment or method of operation change such that a 100% Load Factor is no longer expected. The Company will conduct an annual review of all Uniform Load Provision accounts, and reserves the right to periodically verify load patterns and characteristics through testing for any and all accounts covered by this Provision. This would generally be accomplished by the installation of demand or other Time-of-Use capable meters. If any account is found to have a load pattern producing less than 100% Load Factor or an average usage above 3,000 kWh per month, it will no longer be billed under the Uniform Load Provision. The Company will install a traditional Rate 16 type meter and bill the customer under the standard Time-of-Use provisions noted in the Rate Per Month section above.

The tiered charges under this Uniform Load Provision will be adjusted for any and all retail electric rate actions approved by the Public Service Commission of South Carolina including, but not limited to changes in the Adjustment for Fuel and Variable Environmental Costs, Rate Reduction and Tax Credit Rider, Rider related to Demand Side Management, and requests for Revised Rates under the Base Load Review Act.

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

TERM OF CONTRACT

The contract terms will depend on the conditions of service. Contracts for installations of a permanent nature shall be written for a period of not less than one (1) year. A separate contract shall be written for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

RATE 20

MEDIUM GENERAL SERVICE

AVAILABILITY

This rate is available to any non-residential customer using the Company's standard service for power and light requirements and having a contract demand of 75 KVA or over. It is not available for resale service.

CHARACTER OF SERVICE

Alternating Current, 60 hertz, three phase, metering at the delivery voltage which shall be standard to the Company's operation.

RATE PER MONTH

I. Basic Facilities Charge \$ 180.00

II. Demand Charge:

All KVA of Billing Demand @ \$ 16.98 per KVA

The billing demand (to the nearest whole KVA) shall be the greatest of: (1) the maximum integrated fifteen minute demand measured (which may be on a rolling time interval) during the current month; or (2) eighty percent (80%) of the highest demand occurring during the billing months June through September in the eleven preceding months; or (3) sixty percent (60%) of the highest demand occurring during the billing months of October through May in the eleven preceding months; or (4) the contract demand; or (5) 75 KVA.

III. Energy Charge:

First 75,000 kWh @ \$ 0.05708 per kWh

Excess over 75,000 kWh @ \$ 0.05183 per kWh

MINIMUM CHARGE

The monthly minimum charge is the demand as determined above. The Company may allow a buildup period not to exceed six months for new and expanding accounts during which time the contract demand and/or the minimum demand specified in the rate schedule may be waived. The Company shall not commit itself to a buildup period exceeding six months without prior approval of the Commission for the specific account involved.

ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03610 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00131 per kWh for Demand Side Management expenses.

STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

TERM OF CONTRACT

The contract terms will depend on the conditions of service. No contract shall be written for a period of less than five (5) years.
A separate contract shall be written for each meter.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective Upon Approval Of The Public
Service Commission Of South Carolina

RIDER TO RATES 20 AND 23

SERVICE FOR COOL
THERMAL STORAGE

AVAILABILITY

This rider is available to customers served under Rate Schedules 20 and 23 for thermal storage during billing months June through September. Service under this rider shall be available at customer's request and with Company Certification of customer's installed thermal storage system. The qualifying thermal storage unit must be capable of removing at least thirty percent (30%) of the customer's actual or expected load during the on-peak hours. The provisions of Rate Schedules 20 and 23 are modified only as shown herein.

DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

A. On-Peak Hours:

The on-peak hours during June through September are defined as the hours between 1:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.*

B. Off-Peak Hours:

The off-peak hours in any month are defined as all hours not specified as on-peak hours.

*Holidays are: Independence Day and Labor Day.

BILLING DEMAND DETERMINATION

Billing Months June Through September

The on-peak billing demand (to the nearest whole number) shall be the greatest of the following and shall be billed on the Applicable Rate Demand charge:

- (1) The maximum, integrated fifteen minute demand measured (which may be on a rolling time interval) during the hours of 1:00 p.m. to 9:00 p.m., Monday-Friday;
- (2) 90% of the demand registered during these hours for the previous June through September billing period, if service was supplied under this rider. If customer is receiving initial service under this rider, the ratchet during the June through September billing period will be waived.
- (3) The contract demand.
- (4) Applicable Rate Minimum.

Billing Months October Through May

The billing demand (to the nearest whole number) shall be the greatest of the following and shall be billed on the Applicable Rate Demand charge:

- (1) The maximum, integrated fifteen minute demand measured (which may be on a rolling time interval).
- (2) 60% of the highest demand occurring during the preceding October through May billing period.
- (3) The contract demand.
- (4) Applicable Rate Minimum.

EXCESS BILLING DEMAND

Billing Months June Through September

The excess billing demand shall be the positive difference between the maximum integrated fifteen minute demand measured during off-peak hours minus the on-peak billing demand.

RATES PER MONTH

Excess Billing Demand Applicable to Rate 20	\$ 4.12 per KVA
Excess Billing Demand Applicable to Rate 23	\$ 4.12 per KW

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

TERM OF CONTRACT

The contract terms will depend on the conditions of service. No contract shall be written for a period less than five (5) years. A separate contract shall be written for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of these riders.

Effective Upon Approval Of The Public
Service Commission Of South Carolina

RATE 21

GENERAL SERVICE
TIME-OF-USE-DEMAND
(Page 1 of 2)

AVAILABILITY

This rate is available to any customer using the Company's standard service for power and light requirements and having a contract demand of 50 KVA and a maximum demand of less than 1,000 KVA. It is not available for resale service.

CHARACTER OF SERVICE

Alternating current, 60 hertz, three phase, metering at the delivery voltage which shall be standard to the Company's operation.

RATE PER MONTH

I. Basic Facilities Charge:	\$	195.00
II. Demand Charge:		
A. On-Peak Billing Demand:		
1. Summer Months of June-September @	\$	21.44 per KVA
2. Non-Summer Months of October-May @	\$	14.26 per KVA
B. Off-Peak Billing Demand		
1. All Off-Peak Billing Demand @	\$	4.01 per KVA
III. Energy Charge:		
A. On-Peak kWh		
1. Summer Months of June-September @	\$	0.09881 per kWh
2. Non-Summer Months of October-May @	\$	0.06886 per kWh
B. Off-Peak kWh		
1. All Off-Peak @	\$	0.05101 per kWh

BILLING DEMAND

The billing demands will be rounded to the nearest whole KVA. The maximum integrated fifteen minute demand for any period may be recorded on a rolling time interval.

For the summer months, the on-peak billing demand shall be the maximum integrated fifteen minute demand measured during the on-peak hours of the current month.

For the non-summer months, the on-peak billing demand will be the greater of: (1) the maximum integrated fifteen minute demand measured during the on-peak hours of the current month, or (2) eighty percent (80%) of the maximum integrated demand occurring during the on-peak hours of the preceding summer months.

The off-peak billing demand shall be the greatest of the following positive differences: (1) the maximum integrated fifteen minute demand measured during the off-peak hours minus the on-peak billing demand, (2) the contract demand minus the on-peak billing demand or (3) 50 KVA minus the on-peak billing demand.

DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

A. On-Peak Hours During Summer Months:

June-September:

The on-peak summer hours are defined as the hours between 1:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.*

B. On-Peak Hours During Non-Summer Months:

May and October:

The on-peak non-summer hours are defined as the hours between 1:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.*

November-April:

The on-peak non-summer hours are defined as these hours between 6:00 a.m.-12:00 noon and 5:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.*

C. Off-Peak Hours:

The off-peak hours in any month are defined as all hours not specified as on-peak hours.

*Holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Effective Upon Approval Of The Public
Service Commission Of South Carolina

RATE 21

**GENERAL SERVICE
TIME-OF-USE-DEMAND**
(Page 2 of 2)**ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS**

Fuel costs of \$.03610 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00131 per kWh for Demand Side Management expenses.

STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

TERM OF CONTRACT

The contract terms will depend on the conditions of service. No contract shall be written for a period less than five (5) years. A separate contract shall be written for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

RATE 21A

EXPERIMENTAL PROGRAM - GENERAL SERVICE
TIME-OF-USE-DEMAND

(Page 1 of 2)

AVAILABILITY

This rate is available on a voluntary "first come, first serve" basis to the first 250 Rate 20 customer accounts and any Rate 21 customer account that qualify under the provisions of the stipulation approved by the South Carolina Public Service Commission in Docket #2002-223-E order No. 2003-38 dated January 31, 2003. This rate will be closed after the initial participant group is established, except there will be 25 additional customer accounts that will be allowed to participate on a "first come first serve" basis for new facilities constructed by customers in the initial participant group and as provided for in the stipulation as referenced above. The stipulation referenced above shall provide guidance as to any issue regarding availability on this rate. It is not available for resale service.

CHARACTER OF SERVICE

Alternating current, 60 hertz, three phase, metering at the delivery voltage which shall be standard to the Company's operation.

RATE PER MONTH

I. Basic Facilities Charge:		\$	195.00
II. Demand Charge:			
A. On-Peak Billing Demand:			
1. Summer Months of June-September @	\$	20.78	per KVA
2. Non-Summer Months of October-May @	\$	12.86	per KVA
B. Off-Peak Billing Demand			
1. All Off-Peak Billing Demand @	\$	4.01	per KVA
III. Energy Charge:			
A. On-Peak kWh			
1. Summer Months of June-September @	\$	0.08806	per kWh
2. Non-Summer Months of October-May @	\$	0.06013	per kWh
B. Off-Peak kWh			
1. All Off-Peak @	\$	0.04735	per kWh

BILLING DEMAND

The billing demands will be rounded to the nearest whole KVA. The maximum integrated fifteen minute demand for any period may be recorded on a rolling time interval.

For the summer months, the on-peak billing demand shall be the maximum integrated fifteen minute demand measured during the on-peak hours of the current month.

For the non-summer months, the on-peak billing demand will be the greater of: (1) the maximum integrated fifteen minute demand measured during the on-peak hours of the current month, or (2) eighty percent (80%) of the maximum integrated demand occurring during the on-peak hours of the preceding summer months.

The off-peak billing demand shall be the greatest of the following positive differences: (1) the maximum integrated fifteen minute demand measured during the off-peak hours minus the on-peak billing demand, (2) the contract demand minus the on-peak billing demand or (3) 50 KVA minus the on-peak billing demand.

DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

A. On-Peak Hours During Summer Months:

June-September:

The on-peak summer hours are defined as the hours between 1:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.*

B. On-Peak Hours During Non-Summer Months:

May and October:

The on-peak non-summer hours are defined as the hours between 1:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.*

November-April:

The on-peak non-summer hours are defined as these hours between 6:00 a.m.-12:00 noon and 5:00 p.m.-9:00 p.m.,

Monday-Friday, excluding holidays.*

C. Off-Peak Hours:

The off-peak hours in any month are defined as all hours not specified as on-peak hours.

*Holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Effective Upon Approval Of The Public
Service Commission Of South Carolina

RATE 21A

EXPERIMENTAL PROGRAM - GENERAL SERVICE
TIME-OF-USE-DEMAND
(Page 2 of 2)**ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS**

Fuel costs of \$.03610 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00131 per kWh for Demand Side Management expenses.

STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

TERM OF CONTRACT

The contract terms will depend on the conditions of service. The contract for this experimental program shall be written for a period of 48 months as provided for in the stipulation approved by the South Carolina Public service Commission in docket No. 2002-223-E, order No. 2003-38 dated July 31, 2003. A separate contract shall be written for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

RATE 22

SCHOOL SERVICE

AVAILABILITY

This rate is available to customers using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system for general light and/or power service to schools. It is not available for resale service. It is only available to recognized non-boarding schools with up through grade twelve.

CHARACTER OF SERVICE

Alternating Current, 60 hertz. Voltage and phase at the option of the Company.

RATE PER MONTH

Basic Facilities Charge:	\$ 13.55
Plus Energy Charge:	
First 50,000 kWh @	\$ 0.11016 per kWh
Excess over 50,000 kWh @	\$ 0.12823 per kWh

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above, provided however, when construction costs exceed four (4) times the estimated annual revenue excluding fuel revenue to be derived by the Company, the customer may make a contribution in aid of construction of the excess cost or pay the Company's standard facility rate on the excess construction cost in addition to the rate charges above.

ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03628 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00189 per kWh for Demand Side Management expenses.

STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Under no conditions will the Company allow the service to be resold to or shared with others. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

When a school offers activities that, in the sole opinion of the Company, are of a commercial nature such as day care, camps or recreational activities, the Company may require that the account be served under the appropriate general service rate.

TERM OF CONTRACT

Contracts shall be written for a period of not less than five (5) years. A separate contract shall be written for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

RATE 23

INDUSTRIAL POWER SERVICE

AVAILABILITY

This rate is available to any customer classified in the major industrial group of manufacturing with 10-14 or 20-39 as the first two digits of the Standard Industrial Classification or 21 or 31-33 as the first two digits of the six digit North American Industry Classification System using the Company's standard service for power and light requirements and having a contract demand of 1,000 KW or over. It is not available for resale service.

CHARACTER OF SERVICE

Alternating Current, 60 hertz, three phase, metering at the delivery voltage which shall be standard to the Company's operation.

RATE PER MONTH

I. Basic Facilities Charge \$ 1,850.00

II. Demand Charge:

All KW of Billing Demand @ \$ 14.21 per KW

The billing demand (to the nearest whole KW) shall be the greatest of: (1) the maximum integrated fifteen minute demand measured (which may be on a rolling time interval) during the current month; or (2) eighty percent (80%) of the highest demand occurring during the billing months of June through September in the eleven preceding months; or (3) sixty (60%) of the highest demand occurring during the billing months of October through May in the eleven preceding months; or (4) the contract demand; or (5) 1,000 KW.

The customer shall maintain a power factor of as near unity as practicable. If the power factor of the customer's installation falls below 85%, the Company will adjust the billing demand to a basis of 85% power factor.

III. Energy Charge:

All kWh @ \$ 0.04989 per kWh

DISCOUNT

A discount of \$0.60 per KW of billing demand will be allowed when the service is supplied at a delivery voltage of 46,000 volts or higher.

MINIMUM CHARGE

The monthly minimum charge is the demand as determined above. The Company may allow a buildup period not to exceed six months for new and expanding accounts during which time the contract demand and/or the minimum demand specified in the rate schedule may be waived. The Company shall not commit itself to a buildup period exceeding six months without prior approval of the Commission for the specific account involved.

ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03584 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00012 per kWh for Demand Side Management expenses.

STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

TERM OF CONTRACT

The contract terms will depend on the conditions of service. No contract shall be written for a period less than five (5) years. A separate contract shall be written for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective Upon Approval Of The Public
Service Commission Of South Carolina

RATE 24

LARGE GENERAL SERVICE

TIME-OF-USE

(Page 1 of 2)

AVAILABILITY

This rate is available to any customer using the Company's standard service for power and light requirements and having a contract demand of 1,000 KW or over. It is not available for resale service.

CHARACTER OF SERVICE

Alternating Current, 60 hertz, three phase, metering at the delivery voltage which shall be standard to the Company's operation.

RATE PER MONTH

I. Basic Facilities Charge:	\$ 1,850.00
II. Demand Charge:	
A. On-Peak Billing Demand	
1. Summer Months of June-September @	\$ 17.17 per KW
2. Non-Summer Months of October-May @	\$ 12.04 per KW
B. Off-Peak Billing Demand	
1. All Off-Peak Billing Demand @	\$ 5.27 per KW
III. Energy Charge:	
A. On-Peak kWh	
1. Summer Months of June-September @	\$ 0.08283 per kWh
2. Non-Summer Months of October-May @	\$ 0.05991 per kWh
B. Off-Peak kWh	
1. All Off-Peak @	\$ 0.04579 per kWh

BILLING DEMAND

The billing demands will be rounded to the nearest whole KW. If the power factor of the customer's current month maximum integrated fifteen minute KW demand for the on-peak and off-peak time periods are less than 85%, then the Company will adjust same to 85%. The maximum integrated fifteen minute demand for any period may be recorded on a rolling time interval.

For the summer months, the on-peak billing demand shall be the maximum integrated fifteen minute demand measured during the on-peak hours of the current month.

For the non-summer months, the on-peak billing demand will be the greater of: (1) the maximum integrated fifteen minute demand measured during the on-peak hours of the current month, or (2) eighty percent (80%) of the maximum integrated demand occurring during the on-peak hours of the preceding summer months.

The off-peak billing demand shall be the greatest of the following positive differences: (1) the maximum integrated fifteen minute demand measured during the off-peak hours minus the on-peak billing demand, or (2) the contract demand minus the on-peak billing demand, or (3) 1,000 KW minus the on-peak billing demand.

DISCOUNT

A discount of \$0.60 per KW of on-peak and off-peak billing demand will be allowed when the service is supplied at a delivery voltage of 46,000 volts or higher.

DETERMINATION OF ON-PEAK HOURS

A. On-Peak Hours During Summer Months:

June-September:

The on-peak summer hours are defined as the hours between 1:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.*

B. On-Peak Hours During Non-Summer Months:

May and October:

The on-peak non-summer hours are defined as the hours between 1:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.*

November-April:

The on-peak non-summer hours are defined as those hours between 6:00 a.m.-12:00 noon and 5:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.*

C. Off-Peak Hours:

The off-peak hours in any month are defined as all hours not specified as on-peak hours.

*Holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Effective Upon Approval Of The Public
Service Commission Of South Carolina

RATE 24

LARGE GENERAL SERVICE
TIME-OF-USE
(Page 2 of 2)**MINIMUM CHARGE**

The monthly minimum charge is the demand as determined above. The Company may allow a buildup period not to exceed six months for new and expanding accounts during which time the contract demand and/or the minimum demand specified in the rate schedule may be waived. The Company shall not commit itself to a buildup period exceeding six months without prior approval of the Commission for the specific account involved.

ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03584 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00012 per kWh for Demand Side Management expenses.

STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

TERM OF CONTRACT

The contract terms will depend on the conditions of service. No contract shall be written for a period of less than five (5) years. A separate contract shall be written for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

**RATE 28
(EXPERIMENTAL)****SMALL GENERAL SERVICE
TIME-OF-USE DEMAND
(Page 1 of 2)****AVAILABILITY**

This rate is available to any non-residential customer using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system for power and light requirements and having an on-peak demand of not more than 100KW. The second billing month within a twelve billing month period that on-peak demand exceeds 100 KW will terminate eligibility under this rate schedule. It is not available for resale service. This rate is available to a maximum of 25 customers not enrolled under the Company's Rider to Rates 7 & 28 - Net Metering For Renewable Energy Facilities.

CHARACTER OF SERVICE

Alternating Current, 60 hertz. Voltage and phase at the option of the Company.

RATE PER MONTH

I. Basic Facilities Charge:	\$ 22.90
II. Demand Charge:	
A. On-Peak Billing Demand:	
1. Summer months of June-September @	\$ 17.92 per KW
2. Non-Summer months of October-May @	\$ 11.20 per KW
B. Off-Peak Billing Demand	
1. All Off-Peak Billing Demand @	\$ 3.58 per KW
III. Energy Charge:	
A. On-Peak kWh	
1. All On-Peak @	\$ 0.11415 per kWh
B. Off-Peak kWh	
2. All Off-Peak @	\$ 0.08781 per kWh

BILLING DEMAND

The billing demands will be rounded to the nearest whole KW. The maximum integrated fifteen minute demand for any period may be recorded on a rolling time interval.

For the summer months, the on-peak billing demand shall be the maximum integrated fifteen minute demand measured during the on-peak hours of the current month.

For the non-summer months, the on-peak billing demand will be the greater of: (1) the maximum integrated fifteen minute demand measured during the on-peak hours of the current month, or (2) eighty percent (80%) of the maximum integrated demand occurring during the on-peak hours of the preceding summer months.

The off-peak billing demand shall be the greatest of the following positive differences: (1) the maximum integrated fifteen minute demand measured during the off-peak hours minus the on-peak billing demand or (2) the contract demand minus the on-peak billing demand.

DETERMINATION OF ON-PEAK HOURS**A. On-Peak Hours:**

June-September:

The on-peak summer hours are defined as the hours between 1:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.*

October-May:

The on-peak non-summer hours are defined as those hours between 6:00 a.m.-10:00 a.m. and 6:00 p.m.-10:00 p.m.

Monday-Friday, excluding holidays.*

B. Off-Peak Hours:

The off-peak hours in any month are defined as all hours not specified as on-peak hours.

*Holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above, provided however, when construction costs exceed four (4) times the estimated annual revenue excluding fuel revenue to be derived by the Company, the customer may make a contribution in aid of construction cost in addition to the rate charges above.

RATE 28
(EXPERIMENTAL)

SMALL GENERAL SERVICE
TIME-OF-USE DEMAND
(Page 2 of 2)

ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel cost of \$.03628 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00189 per kWh for Demand Side Management expenses.

STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

POWER FACTOR

If the power factor of the customer's installation falls below 85%, the Company may adjust the billing to a basis of 85% power factor.

PAYMENT TERMS

All bills are net and payable when rendered.

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

The Company shall have the right to install and operate special metering equipment to measure customer's loads or any part thereof and to obtain any other data necessary to determine the customer's load characteristics.

TERM OF CONTRACT

The contract terms will depend on the conditions of service. Contracts for installations of a permanent nature shall be written for a period of not less than one (1) year. A separate contract shall be written for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

ELECTRIC CONTRACTED RATES

<u>Name of Customer</u>	<u>Rate</u>
State Line Accounts*	23
U. S. Department of Energy Savannah River Operations	
Base Contract	<u>Demand Charge:</u> Basic Facility Charge \$ 1,850.00 First 20,000 Kw \$ 12.08 per KW Excess over 20,000 Kw \$ 14.21 per KW <u>Energy Charge:</u> All kWh @ \$ 0.04989 per kWh

INTERNATIONAL PAPER Eastover Mills

Economy Power Rate	<u>Administrative Charges:</u> \$ 1,850.00 per month <u>On-Peak Energy Charge:</u> Fuel cost of highest cost generation unit or purchased power (other than cogeneration) plus \$ 0.01756 per kWh <u>Off-Peak Energy Charge:</u> Fuel cost of highest cost generation unit or purchased power (other than cogeneration) plus \$ 0.00960 per kWh <u>Excess Demand Charge:</u> \$ 18.00 per KW
Standby Power Rate	<u>Demand Charge:</u> On-peak June-September \$ 0.39682 per KW/Day On-peak October-May \$ 0.22816 per KW/Day Off-peak \$ 0.15353 per KW/Day <u>Energy Charge:</u> Same as that for Economy Power above <u>Excess Demand Charge:</u> \$ 18.00 per KW

Effective Upon Approval Of The Public
Service Commission Of South Carolina

SOUTH CAROLINA ELECTRIC & GAS COMPANY**ELECTRIC CONTRACTED RATES****INTERNATIONAL PAPER - continued****Maintenance Power Rate**

<u>Demand Charge:</u>	\$ 0.44745 per KW/Day
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<u>Energy Charge:</u>	\$ 0.04989 per kWh
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<u>Company Provided KVAR</u>	\$ 0.14773 per KVAR
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**Contracted lighting, signal and
roadway lighting, etc.**

Negotiated Contracts

* After contractual (1925 and 1955) adjustments

- Note: (1) Fuel costs of \$.03584 per kWh are included in the Energy Charge and subject to adjustment by order of the Public Service Commission of South Carolina.
- (2) Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

EXHIBIT G

Retail Rate Impact Projections (\$millions)

95.82%													
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Retail Margin Forecast(existing rates)	\$ 1,272	\$ 1,273	\$ 1,249	\$ 1,313	\$ 1,310	\$ 1,275	\$ 1,275	\$ 1,288	\$ 1,301	\$ 1,328	\$ 1,355	\$ 1,380	
Base Retail Fuel Costs @ Current Rates	\$ 801	\$ 796	\$ 763	\$ 821	\$ 808	\$ 787	\$ 789	\$ 797	\$ 804	\$ 816	\$ 829	\$ 839	
Nuclear Fuel Cost Adjustment											\$ (123)	\$ (255)	
Production Tax Credits Applied to Fuel Costs											\$ (101)	\$ (123)	
Net	\$ 801	\$ 796	\$ 763	\$ 821	\$ 808	\$ 787	\$ 789	\$ 797	\$ 804	\$ 816	\$ 604	\$ 461	
Total Base Revenues	\$ 2,073	\$ 2,069	\$ 2,012	\$ 2,133	\$ 2,118	\$ 2,062	\$ 2,065	\$ 2,085	\$ 2,105	\$ 2,145	\$ 1,959	\$ 1,840	
Incremental Revenue Requirements-BLRA	\$ -	\$ 8	\$ 23	\$ 47	\$ 53	\$ 57	\$ 112	\$ 122	\$ 120	\$ 81	\$ 219	\$ 125	
Cumulative Revenue Requirements-BLRA	\$ -	\$ 7.8	\$ 30.3	\$ 77.6	\$ 130.4	\$ 187.1	\$ 299.3	\$ 421.6	\$ 541.5	\$ 622.6	\$ 841.3	\$ 966.0	
Gross Revenue	\$ 2,073	\$ 2,077	\$ 2,043	\$ 2,211	\$ 2,249	\$ 2,249	\$ 2,364	\$ 2,507	\$ 2,647	\$ 2,767	\$ 2,800	\$ 2,806	
Retail Sales	22,150	22,014	21,120	22,704	22,365	21,769	21,833	22,044	22,230	22,581	22,921	23,203	
\$/KWH	\$ 0.0936	\$ 0.0943	\$ 0.0967	\$ 0.0974	\$ 0.1006	\$ 0.1033	\$ 0.1083	\$ 0.1137	\$ 0.1191	\$ 0.1225	\$ 0.1222	\$ 0.1210	
Annual Rate Change		0.4%	1.1%	2.3%	2.4%	2.5%	4.8%	5.0%	4.7%	2.9%	-0.3%	-1.0%	2.36%

Incremental revenue requirements in 2017 and 2018 include projected in-service costs.

The forecasts listed here are indicative of the rate impacts that may be expected from construction and operation of VCSNS Units 2 & 3 on a stand-alone basis. These forecasts do not reflect overall rate changes during the period, which may include changes in such things as fuel costs, and base rates. In addition, actual rate impacts from the Units will vary based on such things as the actual rates of growth in customers and demand during the period, changes in SCE&G's cost of capital, changes in the amount and timing of investment in the Units, changes in in-service expenses, and other factors.